[H.A.S.C. No. 101-13]

HEARINGS

ON

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1990—H.R. 2461

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED FIRST CONGRESS
FIRST SESSION

MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE HEARINGS

ON

MILITARY CONSTRUCTION
(H.R. 2311)

HEARINGS HELD
MARCH 7, 9, 20, APRIL 5, 12, MAY 4, AND 18, 1989

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[1] Elected to the subcommittee on May 8, 1989.

CONTENTS

CHRONOLOGICAL LIST OF HEARINGS

1989

Page

- Tuesday, March 7 (Fiscal year 1990–1991 Military Construction Overview) 1
- Thursday, March 9:
  - (Guard and Reserve) 139
  - (Defense Agencies) 235
- Monday, March 20 (Members of Congress) 319
- Wednesday, April 5 (Family Housing) 583
- Wednesday, April 12 (Relocation of Functions Located at Torrejon, Air Base, Spain) 643
- Thursday, May 4 (Overview of Revised Defense Budget) 687
- Thursday, May 18 (Future of INF Bases and Personnel) 751

STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

- Alexander, Hon. Bill, a Representative from Arkansas:
  - Statement 324
  - Prepared statement 327
- AuCoin, Hon. Les, a Representative from Oregon: Prepared statement 481
- Bennett, Hon. Charles E., a Representative from Florida:
  - Statement 320
  - Prepared statement 321
- Bilbray, Hon. James H., a Representative from Nevada: Prepared statement ... 485
- Boehlert, Hon. Sherwood, a Representative from New York: Prepared statement 489
- Boxer, Hon. Barbara, a Representative from California: Prepared statement.... 367
- Campbell, Hon. Ben Nighthorse, a Representative from Colorado: Prepared statement 491
- Dorgan, Hon. Byron L., a Representative from North Dakota: Prepared statement 495
- Dyson, Hon. Roy, a Representative from Maryland: Prepared statement 499
- Fazio, Hon. Vic, a Representative from California:
  - Statement 361
  - Prepared statement 371
- Gonzalez, Hon. Henry B., a Representative from Texas:
  - Statement 353
  - Prepared statement 357
- Hall, Hon. Tony P., a Representative from Ohio 503
- Jontz, Hon. Jim, a Representative from Indiana 504
- Martin, Hon. David O'B., a Representative from New York, ranking minority member, Military Installations and Facilities Subcommittee: 3, 584, 688
- Matsui, Hon. Robert, a Representative from California:
  - Statement 361
  - Prepared statement 363
- Miller, Hon. John, a Representative from Washington:
  - Statement 382
  - Prepared statement 384
- Panetta, Hon. Leon E., a Representative from California: Prepared statement. 510
- Porter, Hon. John Edward, a Representative from Illinois:
  - Statement 388
  - Prepared statement 391

Page
Poshard, Hon. Glenn, a Representative from Illinois:
  Statement 469
  Prepared statement 472
Richardson, Hon. Bill, a Representative from New Mexico:
  Statement 397
  Prepared statement 398
Schroeder, Hon. Patricia, a Representative from Colorado, Chairwoman, Military Installations and Facilities Subcommittee:
  Statement 1, 139, 235, 319, 583, 643, 687, 751
  Prepared statement 2, 583, 643, 687, 752
Swift, Hon. Al, a Representative from Washington:
  Statement 382
  Prepared statement 384
Thomas, Hon. Robert Lindsay, a Representative from Georgia:
  Statement 400
  Prepared statement 404

PRINCIPAL WITNESSES WHO APPEARED IN PERSON OR SUBMITTED WRITTEN STATEMENTS

Ahearn, Maj. Gen. Joseph A., Director of Air Force Engineering and Services, Department of the Air Force:
  Statement 93, 608, 721
  Prepared statement 95, 610, 722
Boatright, James F., Deputy Assistant Secretary for Installations: Department of the Air Force: ....
  Statement 607
  Prepared statement 608
Bultman, Brig. Gen. Roger C., Deputy Chief, Army Reserve:
  Statement 161
  Prepared statement 163
Carpenter, Brig. Gen. Shirley M., Deputy Chief, Air Force Reserve:
  Statement 179
  Prepared statement 181
Chambers, Rear Adm. Richard K., Deputy Commander, Naval Reserve Force:
  Statement 169
  Prepared statement 170
Downs, Brig. Gen. Michael P., United States Marine Corps, Director, Facilities and Services Division, Office of the Deputy Chief of Staff (Installations and Logistics, Headquarters, U.S. Marine Corps:
  Statement 82, 173, 607, 721
  Prepared statement 83
Fox, Maj. Gen. Eugene, U.S. Army, Deputy Director, Strategic Defense Initiative Organization: Prepared statement 277
France, Maj. Gen. John L., Vice President, National Guard Association of the United States:
  Statement 330
  Prepared statement 333
Freeman, L.W., Director, Real Estate and Facilities, Washington Headquarters Services, Department of Defense: Prepared statement 282
Hickey, Ms. Sydney T., Director of Government Relations, the National Military Family Association, Inc:
  Statement 538
  Prepared statement 541
Hoffman, George J., Deputy Director, Resource Management, Defense Communications Agency (DCA): Prepared statement 289
Kinnamon, Kenneth E., D.V.M., PhD., Vice President for Operations, Uniformed Services University of the Health Services: Prepared statement 293
Lawson, Robert, National Association of Home Builders:
  Statement 551
  Prepared statement 554
Mayer, William, M.D., Assistant Secretary for Health Affairs, Department of Defense:
  Statement 236
  Prepared statement 240
McKinney, Sgt. Maj. Mack, USMC Ret., Legislative Counsel, Non Commissioned Officers Association of the United States of America:
  Statement 523

Page

McKinney, Sgt. Maj. Mack, USMC Ret., Legislative Counsel, Non Commissioned Officers Association of the United States of America—Continued
  Prepared statement ... 525
McMerty, Brig. Gen. John G., Deputy Director, Air National Guard:
  Statement ... 173
  Prepared statement ... 174
Mitchell, Hon. Donald, Mayor of Woodbine, GA: Prepared statement ... 410
Montoya, Rear Adm. Benjamin F., CEC, U.S. Navy, Commander, Naval Facilities Engineering Command, Department of the Navy:
  Statement ... 64, 601, 717
  Prepared statement ... 66, 603, 718
Navas, Brig. Gen. William A., Jr., Deputy Director, Army National Guard:
  Statement ... 151
  Prepared statement ... 153
Offringa, Maj. Gen. Peter J., Assistant Chief of Engineers, Department of the Army:
  Statement ... 31, 585, 706
  Prepared statement ... 49, 596, 708
Pope, Barbara S., Deputy Assistant Secretary (Family Support Education and Safety), Office of the Assistant Secretary (Force Management and Personnel), Department of Defense:
  Statement ... 265
  Prepared statement ... 266
Powell, Capt. Richard A., USN. Director for Command Services Directorate, Defense Nuclear Agency: Prepared statement ... 295
Rosamond, John B., Deputy Assistant Secretary for Reserve Affairs (Materiel and Facilities), Department of Defense:
  Statement ... 139
  Prepared statement ... 142
Shycoff, Donald B., Deputy Comptroller, Defense Logistics Agency: Prepared statement ... 298
Stone, Robert A., Office of the Assistant Secretary of Defense (Production and Logistics):
  Statement ... 4, 688
  Prepared statement ... 9, 692
Wilson, Craig L., Director, Intelligence Resources and Training, Office of the Assistant Secretary of Defense (Command, Control, Cummunications and Intelligence): Prepared statement ... 312
Woodworth, John A., Ambassador, Deputy Assistant Secretary for European and NATO Policy, Department of Defense:
  Statement ... 644, 752
  Prepared statement ... 647

DOCUMENTS SUBMITTED FOR THE RECORD

King's Bay Community Impact Assistance Program, Fiscal year 1990 ... 438
National Security Agency ... 316
School District Capital Facility Requirements and Funding Distribution Plan, Camden County, GA ... 419

101st CONGRESS
1st Session

H. R. 2311

To authorize certain construction at military installations for fiscal years 1990 and 1991, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

May 10, 1989

Mrs. Schroeder (for herself and Mr. Martin of New York) (both by request) introduced the following bill; which was referred to the Committee on Armed Services

---

A BILL

To authorize certain construction at military installations for fiscal years 1990 and 1991, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Military Construction Authorization Act, 1990 and 1991".

Subdivision 1—Fiscal Year 1990

TITLE I—ARMY

SEC. 1101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) Inside the United States.—The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

ALABAMA

Anniston Army Depot, $2,300,000.

Fort McClellan, $2,750,000.

Redstone Arsenal, $18,390,000.

Fort Rucker, $3,600,000.

ALASKA

Fort Richardson, $3,350,000.

Fort Wainwright, $14,800,000.

ARIZONA

Fort Huachuca, $9,900,000.

Yuma Proving Ground, $11,400,000.

CALIFORNIA

Fort Irwin, $4,950,000.

Fort Ord, $2,450,000.

Sacramento Army Depot, $3,900,000.

COLORADO

Fort Carson, $4,700,000.

FLORIDA

Key West Naval Air Station, $6,100,000.

GEORGIA

Fort Benning, $7,500,000.

Fort Gordon, $4,000,000.

Fort Stewart, $5,200,000.

HAWAII

Fort Shafter, $9,300,000.

Schofield Barracks, $10,000,000.

KANSAS

Fort Leavenworth, $5,500,000.

Fort Riley, $12,680,000.

KENTUCKY

Fort Campbell, $30,450,000.

Fort Knox, $2,200,000.

LOUISIANA

Fort Polk, $23,350,000.

MARYLAND

Fort Detrick, $2,300,000.

Fort Meade, $6,200,000.

Fort Ritchie, $630,000.

MASSACHUSETTS

Fort Devens, $3,550,000.

MISSOURI

Fort Leonard Wood, $10,450,000.

NEW JERSEY

Fort Monmouth, $8,600,000.

Picatinny Arsenal, $11,800,000.

NEW YORK

Fort Drum, $70,600,000.

NORTH CAROLINA

Fort Bragg, $32,000,000.

OKLAHOMA

Fort Sill, $17,320,000.

McAlester Army Ammunition Plant, $2,200,000.

PENNSYLVANIA

New Cumberland Army Depot, $14,000,000.

TEXAS

Corpus Christi Army Depot, $5,200,000.

Fort Bliss, $3,400,000.

Fort Hood, $2,800,000.

UTAH

Dugway Proving Ground, $2,400,000.

VIRGINIA

Fort Belvoir, $23,000,000.

Fort Lee, $1,750,000.

Fort Monroe, $1,100,000.

Fort Story, $3,350,000.

WASHINGTON

Fort Lewis, $770,000.

VARIOUS LOCATIONS

Classified Location, $3,900,000.

(b) OUTSIDE THE UNITED STATES. —The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

GERMANY

Augsburg, $600,000.
Baumholder, $6,400,000.
Grafenwoehr, $6,500,000.
Hanau, $16,550,000.
Heilbronn, $5,400,000.
Hohenfels, $9,200,000.
Mainz, $26,400,000.
Mannheim, $8,000,000.
Stuttgart, $9,400,000.
Vilseck, $8,800,000.
Wuerzburg, $12,000,000.
Various locations, $4,150,000.

KOREA

Camp Casey, $24,200,000.
Camp Garry Owen, $4,200,000.
Camp Hovey, $15,300,000.
H-220 Heliport, $4,050,000.

KWAJALEIN ATOLL

Kwajalein, $9,500,000.

PANAMA

Fort Kobbe, $7,200,000.

PUERTO RICO

Fort Buchanan, $690,000.

VARIOUS LOCATIONS

Location 276, $1,950,000.

Classified Locations, $6,100,000.

SEC. 1102. FAMILY HOUSING

(a) Construction and Acquisition.—The Secretary of the Army may construct or acquire family housing units (including land acquisition), using amounts appropriated pursuant to section 1104(a)(6)(A), at the following installations in the number of units shown and in the amounts shown, for each installation:

Helemano, Hawaii, ninety units, $10,322,000.

Hickam Air Force Base, twenty units, $2,500,000.

Kaneohe, Hawaii, forty units, $4,700,000.

(b) Planning and Design.—The Secretary of the Army may, using amounts appropriated pursuant to section 1104(a)(6)(A), carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $1,349,000.

SEC. 1103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) IN GENERAL.—Subject to section 2825 of title 10, United States Code, the Secretary of the Army may, using amounts appropriated pursuant to section 1104(a)(6)(A), improve existing military family housing in an amount not to exceed $36,329,000.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Army may—

(1) carry out projects to improve existing military family housing units at the following installations in the number of units shown and in the amount shown, for each installation:

(A) Fort Leavenworth, Kansas, one unit, $95,900, of which $86,900 is for concurrent repairs; and

(B) Pusan, Korea, twenty units, $1,250,000; and

(2) improve four units at Fort Sill, Oklahoma, authorized in Public Law 100–456, in an amount of $178,088.

SEC. 1104. AUTHORIZATION OF APPROPRIATIONS, ARMY

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1989, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,180,400,000 follows:

(1) For military construction projects inside the United States authorized by section 1101(a), $426,090,000.

(2) For military construction projects outside the United States authorized by section 1101(b), $186,590,000.

(3) For the construction of the Central Distribution Center, Phase III, Red River Army Depot, Texas, as authorized by section 2101 of the National Defense Authorization Act, 1989, $39,000,000.

(4) For unspecified minor construction projects authorized under section 2805 of title 10, United States Code, $11,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $74,420,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $55,200,000; and

(B) for support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,383,000,000, of which not more than $319,142,000 may be obligated or expended for the leasing of military family housing worldwide.

(7) For the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, $5,100,000, to remain in effect until expended.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 1101 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 1105. EXTENSION OF CERTAIN PRIOR YEAR AUTHORIZATIONS

(a) EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1986 PROJECTS.—Notwithstanding the provisions of section 603(a) of the Military Construction Act, 1986 (Public Law 99–167), authorizations for the following projects authorized in sections 101 and 102 of that Act, as extended by section 2105(b) of the Military Construction Authorization Act 1988 and 1989 (division B of Public Law 99–

180) and section 2106(b) of the Military Construction Act, 1989 (Public Law 100–456), shall remain in effect until October 1, 1991, or the date of enactment of an Act authorizing funds for military construction for fiscal year 1992, whichever is later:

(1) Modified record fire range in the amount of $2,850,000 at Nuernberg, Germany.

(2) Family housing, new construction, 6 units, in the amount of $596,000 at Fort Myer, Virginia.

(3) Flight simulator building in the amount of $2,900,000 at Wiesbaden, Germany.

(b) EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1987 PROJECTS.—Notwithstanding the provisions of section 2701(a) of the Military Construction Authorization Act, 1987 (division B of Public Law 99–661), authorizations for the following projects authorized in sections 2101, 2102, and 2103 of that Act as extended by section 2106(c) of the Military Construction Authorization Act, 1989 (Public Law 100–456), shall remain in effect until October 1, 1991, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 1992, whichever is later:

(1) Aircraft maintenance hangar in the amount of $7,100,000 at Hanau, Germany.

(2) Family housing, new construction, 40 units in the amount of $4,100,000 at Crailsheim, Germany.

(c) EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1988 PROJECTS.—Notwithstanding the provisions of 2171 of the Military Construction Authorization Act of 1988 (Division B of Public Law 100–180), authorizations for the following projects authorized in sections 2101 and 2102 of that Act shall remain in effect until October 1, 1991, or the date of enactment of a Military Construction Authorization Act for fiscal year 1992, whichever is later:

(1) Child Development Center in the amount of $1,050,000 at Rheinberg, Germany.

(2) Training Exercise Facility in the amount of $5,900,000 at Einsiedlerhof, Germany.

(3) Operations Building Modifications in the amount of $5,400,000 at Stuttgart, Germany.

(4) Hardstand/Tactical Equipment Shop in the amount of $2,250,000 at Wiesbaden, Germany.

(5) Servicemember Support Complex in the amount of $5,700,000 at Fort Rucker, Alabama.

(6) Wall/Ceiling Insulation in the amount of $930,000 at Aberdeen Proving Ground, Maryland.

(7) Family Housing, new construction, 25 units, in the amount of $2,200,000 at Fort A.P. Hill, Virginia.

(8) Family Housing, new construction, 106 units, in the amount of $11,200,000 at Bamberg, Germany.

(9) Family Housing, new construction, 152 units, in the amount of $12,600,000 at Baumholder, Germany.

TITLE II—NAVY

SEC. 1201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

ALABAMA

Mobile, Navy Station, $3,965,000.

ALASKA

Adak, Naval Air Station, $18,870,000.

ARIZONA

Yuma, Marine Corps Air Station, $900,000.

CALIFORNIA

Camp Pendleton, Marine Corps Air Station, $2,100,000.

Camp Pendleton, Marine Corps Base, $57,600,000.

China Lake, Naval Weapons Center, $17,500,000.

Concord, Naval Weapons Station, $5,640,000.

Coronado, Naval Amphibious Base, $7,770,000.

Coronado, Surface Warfare Officers School Command Detachment, $4,360,000.

El Centro, Naval Air Facility, $7,200,000.

Lemoore, Naval Air Station, $2,100,000.

Moffett Field, Naval Air Station, $1,000,000.

Monterey, Fleet Numerical Oceanography Center, $750,000.

Monterey, Naval Postgraduate School, $16,690,000.

North Island, Naval Air Station, $6,160,000.

San Diego, Fleet Anti-Submarine Warfare Training Center, Pacific, $820,000.

San Diego, Fleet Combat Training Center, Pacific, $3,670,000.

San Diego, Fleet Intelligence Training Center, Pacific, $2,500,000.

San Diego, Fleet Training Center, $12,800,000.

San Diego, Integrated Combat Systems Test Facility, $4,100,000.

San Diego, Marine Corps Recruit Depot, $3,070,000.

San Diego, Naval Hospital, $5,000,000.

San Diego, Naval Ocean Systems Center, $1,300,000.

San Diego, Naval Station, $1,000,000.

San Diego, Naval Submarine Base, $10,800,000.

San Diego, Naval Training Center, $4,800,000.

San Diego, Naval Public Works Center, $4,400,000.

San Francisco, Navy Public Works Center, $3,910,000.

Seal Beach, Naval Weapons Station, $9,000,000.

Tustin, Marine Corps Air Station, $2,990,000.

Twentynine Palms, Marine Corps Air-Ground Combat Center, $3,140,000.

Vallejo, Mare Island Naval Shipyard, $6,300,000.

CONNECTICUT

New London, Naval Submarine Base, $24,250,000.

New London, Naval Submarine School, $8,200,000.

New London, Naval Underwater Systems Center, $12,600,000.

DISTRICT OF COLUMBIA

Washington, Commandant, Naval District, $420,000.

Washington, Naval Observatory, $2,500,000.

FLORIDA

Cecil Field, Naval Air Station, $1,970,000.

Jacksonville, Naval Hospital, $2,080,000.

Orlando, Naval Training Center, $18,400,000.

Panama City, Naval Diving and Salvage Training Center, $4,300,000.

Panama City, Naval Experimental Diving Unit, $2,900,000.

Pensacola, Navy Public Works Center, $2,100,000.

GEORGIA

Albany, Marine Corps Logistics Base, $1,300,000.

Athens, Navy Supply Corps School, $1,000,000.

Kings Bay, Naval Submarine Base, $58,910,000.

HAWAII

Kaneohe Bay, Marine Corps Air Station, $13,150,000.

Lualualei, Naval Magazine, $4,600,000.

Pearl Harbor, Naval Submarine Base, $18,600,000.

Pearl Harbor, Naval Submarine Training Center, Pacific, $5,550,000.

Pearl Harbor, Navy Public Works Center, $750,000.

Wahiawa, Naval Communication Area Master Station Eastern Pacific, $8,000,000.

ILLINOIS

Great Lakes, Naval Hospital, $12,270,000.

Great Lakes, Naval Training Center, $15,900,000.

INDIANA

Indianapolis, Naval Avionics Center, $8,000,000.

MAINE

Brunswick, Naval Air Station, $1,000,000.

Brunswick, Naval Branch Medical Clinic, $2,650,000.

Kittery, Portsmouth Naval Shipyard, $1,000,000.

MARYLAND

Annapolis, Naval Academy, $48,000,000.

Indian Head, Naval Explosive Ordnance Disposal Technology, Center, $7,700,000.

Indian Head, Naval Ordnance Station, $10,670,000.

Patuxent River, Naval Air Test Center, $17,000,000.

St. Inigoes, Naval Electronic Systems Engineering Activity, $2,950,000.

MISSISSIPPI

Meridian, Naval Air Station, $11,800,000.

Pascagoula, Naval Station, $2,220,000.

NEVADA

Fallon, Naval Air Station, $1,000,000.

NEW JERSEY

Bayonne, Navy Publications and Printing Service Detachment Office, $1,000,000.

Earle, Naval Weapons Station, $14,270,000.

NEW MEXICO

Elephant Butte, Naval Space Surveillance Field Station, $4,700,000.

NEW YORK

New York, Naval Station, $25,640,000.

NORTH CAROLINA

Camp Lejeune, Marine Corps Base, $21,210,000.

Cherry Point, Marine Corps Air Station, $23,820,000.

New River, Marine Corps Air Station, $21,100,000.

OKLAHOMA

Tinker Air Force Base, Naval Air Detachment, $21,500,000.

RHODE ISLAND

Newport, Naval Education and Training Center, $8,000,000.

SOUTH CAROLINA

Beaufort, Marine Corps Air Station, $4,920,000.

Charleston, Naval Supply Center, $700,000.

TENNESSEE

Memphis, Naval Air Station, $10,000,000.

TEXAS

Ingleside, Naval Station, $19,720,000.

Lackland Air Force Base, Naval Technical Training Center Detachment, $4,500,000.

VIRGINIA

Chesapeake, Naval Security Group Activity, Northwest, $1,300,000.

Dahlgren, Naval Surface Warfare Center, $1,000,000.

Dam Neck, Marine Environmental Systems Facility, $8,000,000.

Little Creek, Naval Amphibious Base, $5,200,000.

Norfolk, Naval Air Station, $4,400,000.

Norfolk, Naval Eastern Oceanography Center, $680,000.

Norfolk, Naval Supply Center, $6,500,000.

Oceana, Naval Air Station, $12,555,000.

Portsmouth, Norfolk Naval Shipyard, $9,700,000.

Quantico, Marine Corps Combat Development Command, $3,450,000.

Williamsburg, Cheatham Annex, Naval Supply Center, $18,500,000.

Yorktown, Naval Weapons Station, $21,420,000.

WASHINGTON

Bremerton, Naval Hospital, $1,000,000.

Bremerton, Puget Sound Naval Shipyard, $19,900,000.

Bremerton, Puget Sound Naval Supply Center, $690,000.

Everett, Naval Station, $11,200,000.

Keyport, Naval Undersea Warfare Engineering Station, $1,850,000.

Oso, Jim Creek Naval Radio Station, $1,200,000.

VARIOUS LOCATIONS

Land Acquisition, $21,000,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

ASCENSION ISLAND

Naval Communication Detachment, $3,500,000.

AUSTRALIA

Exmouth, Harold E. Holt Naval Communication Station, $610,000.

BAHAMAS

Andros Island, Naval Underwater Systems Center, $4,140,000.

GUAM

Camp Covington, Mobile Construction Battalion, $4,300,000.

Fleet Surveillance Support Command, $27,000,000.

Navy Public Works Center, $4,150,000.

ICELAND

Keflavik, Naval Air Station, $7,500,000.

Keflavik, Naval Communication Station, $8,450,000.

ITALY

Naples, Naval Support Activity, $46,600,000.

JAPAN

Atsugi, Naval Air Facility, $14,900,000.

Okinawa, Camp Smedley D. Butler Marine Corps Base, $3,200,000.

Okinawa, Futenma Marine Corps Air Station, $7,450,000.

PUERTO RICO

Roosevelt Roads, Naval Communication Station, $1,300,000.

UNITED KINGDOM

Edzell, Scotland, Naval Security Group Activity, $5,820,000.

London, Naval Activities, $10,130,000.

VARIOUS LOCATIONS

Classified Location, $5,800,000.

Host Nation Infrastructure Support, $1,000,000.

SEC. 1202. FAMILY HOUSING

(a) CONSTRUCTION AND ACQUISITION.—The Secretary of the Navy may, using amounts appropriated pursuant to section 1204(a)(6)(A), construct or acquire family housing units (including land acquisition), at the following installations in the number of units shown, and in the amount shown for each installation:

Camp Pendleton, Marine Corps Base, California, one hundred and twelve units, $10,150,000.

Long Beach, Naval Station, California, Family Housing Office, $592,000.

San Diego, Navy Public Works Center, California, Family Housing Warehouse, $15,855,000.

San Francisco, Navy Public Works Center, California, three hundred and forty-four units, $28,350,000.

Thurmont, Naval Support Facility, Maryland, eleven units, $1,160,000.

Norfolk, Navy Public Works Center, Virginia, Community Center, $332,000.

Keflavik, Naval Air Station, Iceland, one hundred and twelve units, $23,213,000.

Subic Bay, Navy Public Works Center, Philippines, two hundred and sixteen units, $19,000,000.

(b) Planning and Design.—The Secretary of the Navy may carry out architectural and engineering services and construction design activities, using amounts appropriated pursuant to section 1204(a)(6)(A), with respect to the construction or improvement of military family housing units in an amount not to exceed $1,000,000.

SEC. 1203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) In General.—Subject to section 2825 of title 10, United States Code, the Secretary of the Navy may, using amounts appropriated pursuant to section 1204(a)(6)(A), improve existing military family housing units in the amount of $41,748,000.

(b) Waiver of Maximum Per Unit Cost for Certain Improvement Projects.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Navy may carry out projects to improve existing military family housing units at the following installations in the number of units shown and in the amount shown, for each installation:

Long Beach, Naval Station, California, forty-four units, $2,208,200.

San Diego, Navy Public Works Center, California, one unit, $79,900.

Great Lakes, Navy Public Works Center, Illinois, two hundred and sixty-two units, $17,198,100.

Lakehurst, Naval Air Engineering Center, New Jersey, thirty-two units, $1,946,400.

Lakehurst, Naval Air Engineering Center, New Jersey, one unit, $80,100.

New York, Naval Station, New York, ten units, $842,000.

New York, Naval Station, ten units, New York, $719,100.

Cherry Point, Marine Corps Air Station, North Carolina, two hundred and fourteen units, $13,398,000.

Bangor, Naval Submarine Base, Washington, one hundred units, $5,844,200.

Guantanamo Bay, Naval Station, Cuba, one unit, $104,700.

SEC. 1204. AUTHORIZATION OF APPROPRIATIONS, NAVY

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1989, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $1,885,400,000 as follows:

(1) For military construction projects inside the United States authorized by section 1201(a), $872,570,000.

(2) For military construction projects outside the United States authorized by section 1201(b), $155,850,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $14,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $84,970,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $5,810,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $127,400,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), $624,800,000 of which not more than $41,488,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 1201 of this Act may not exceed—

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $24,000,000 (the balance of the amount authorized for the construction of the Bancroft Hall Expansion, Naval Academy, Annapolis, Maryland).

TITLE III—AIR FORCE

SEC. 1301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the installations and locations inside the United States:

ALABAMA

Gunter Air Force Base, $12,100,000.

ALASKA

Clear Air Force Station, $5,000,000.

Eielson Air Force Base, $11,000,000.

Elmendorf Air Force Base, $2,400,000.

King Salmon Airport, $8,000,000.

Shemya Air Force Base, $22,700,000.

ARIZONA

Davis-Monthan Air Force Base, $4,200,000.

Luke Air Force Base, $3,970,000.

Williams Air Force Base, $1,850,000.

CALIFORNIA

Beale Air Force Base, $13,472,000.

Castle Air Force Base, $3,900,000.

Edwards Air Force Base, $12,400,000.

McClellan Air Force Base, $17,030,000.

Onizuka Air Force Station, $14,800,000.

Travis Air Force Base, $9,000,000.

Vandenberg Air Force Base, $11,500,000.

COLORADO

Lowry Air Force Base, $3,550,000.

DELAWARE

Dover Air Force Base, $8,300,000.

DISTRICT OF COLUMBIA

Bolling Air Force Base, $5,900,000.

FLORIDA

Cape Canaveral Air Force Station, $89,000,000.

Eglin Air Force Base, $12,100,000.

Eglin Air Force Base, Auxiliary Field 9, $21,900,000.

Homestead Air Force Base, $7,350,000.

MacDill Air Force Base, $4,490,000.

Patrick Air Force Base, $3,800,000.

Tyndall Air Force Base, $7,300,000.

GEORGIA

Robins Air Force Base, $18,550,000.

HAWAII

Hickam Air Force Base, $530,000.

IDAHO

Mountain Home Air Force Base, $3,920,000.

LOUISIANA

Barksdale Air Force Base, $7,700,000.

England Air Force Base, $2,700,000.

MAINE

Loring Air Force Base, $8,500,000.

MARYLAND

Andrews Air Force Base, $5,550,000.

MASSACHUSETTS

Hanscom Air Force Base, $5,600,000.

MISSISSIPPI

Columbus Air Force Base, $1,200,000.

MISSOURI

Whiteman Air Force Base, $97,500,000.

MONTANA

Malmstrom Air Force Base, $32,100,000.

NEBRASKA

Offutt Air Force Base, $1,150,000.

NEVADA

Nellis Air Force Base, $4,800,000.

NEW JERSEY

McGuire Air Force Base, $4,900,000.

NEW MEXICO

Holloman Air Force Base, $17,350,000.

Kirtland Air Force Base, $18,350,000.

NEW YORK

Griffiss Air Force Base, $11,950,000.

Plattsburgh Air Force Base, $9,900,000.

NORTH CAROLINA

Seymour Johnson Air Force Base, $4,500,000.

OHIO

Newark Air Force Base, $2,300,000.

Wright Patterson Air Force Base, $610,000.

OKLAHOMA

Altus Air Force Base, $5,200,000.

Tinker Air Force Base, $55,250,000.

SOUTH CAROLINA

Charleston Air Force Base, $4,650,000.

Myrtle Beach Air Force Base, $2,350,000.

Shaw Air Force Base, $5,700,000.

SOUTH DAKOTA

Ellsworth Air Force Base, $4,100,000.

TEXAS

Carswell Air Force Base, $650,000.

Goodfellow Air Force Base, $3,300,000.

Kelly Air Force Base, $21,300,000.

Lackland Air Force Base, $34,250,000.

Lackland Training Annex, $1,994,000.

Laughlin Air Force Base, $5,350,000.

Randolph Air Force Base, $630,000.

Reese Air Force Base, $4,630,000.

UTAH

Hill Air Force Base, $11,950,000.

VIRGINIA

Langley Air Force Base, $3,300,000.

WASHINGTON

Fairchild Air Force Base, $1,500,000.

WYOMING

F.E. Warren Air Force Base, $104,850,000.

VARIOUS LOCATIONS

Central United States, $5,000,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

CANADA

Various Locations, $24,000,000.

GERMANY

Hahn Air Base, $11,120,000.

Mehlingen Communications Annex, $1,100,000.

Ramstein Air Base, $16,900,000.

Rhein-Main Air Base, $4,160,000.

Sembach Air Base, $3,050,000.

Spangdahlem Air Base, $11,150,000.

Zweibrucken Air Base, $6,100,000.

GUAM

Andersen Air Force Base, $6,500,000.

HONDURAS

La Mesa Air Base, $10,200,000.

San Lorenzo Air Base, $4,900,000.

ICELAND

Naval Air Station, Keflavik, $16,300,000.

ITALY

Aviano Air Base, $6,050,000.

Crotone Air Base, $15,400,000.

San Vito Air Station, $2,750,000.

JAPAN

Kadena Air Base, $4,300,000.

Misawa Air Base, $3,700,000.

Yokota Air Base, $4,700,000.

KOREA

Kunsan Air Base, $13,140,000.

Osan Air Base, $13,250,000.

OMAN

Seeb, $2,200,000.

Thumrait, $23,600,000.

PANAMA

Howard Air Force Base, $7,210,000.

PHILIPPINES

Clark Air Base, $35,760,000.

Wallace Air Station, $4,150,000.

PORTUGAL

Lajes Field, $7,700,000.

SPAIN

Zaragoza Air Base, $1,950,000.

TURKEY

Ankara Air Station, $4,200,000.

Balikesir Radio Relay Site, $3,600,000.

Erhac Air Base, $2,750,000.

Incirlik Air Base, $5,910,000.

UNITED KINGDOM

Bovingdon Radio Relay Site, $400,000.

High Wycombe Air Station, $4,100,000.

RAF Alconbury, $4,200,000.

RAF Barford St. John, $490,000.

RAF Bentwaters, $6,800,000.

RAF Christmas Common Radio Relay Site, $210,000.

RAF Fairford, $10,950,000.

RAF Lakenheath, $860,000.

RAF Mildenhall, $5,050,000.

RAF Upper Heyford $24,170,000.

VARIOUS LOCATIONS

Classified Location, $740,000.

Classified Location, $15,000,000.

SEC. 1302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—The Secretary of the Air Force may, using amounts appropriated pursuant to section 1304(a)(6)(A), construct or acquire family housing units (including land acquisition) at the following installations in the number of units shown and in the amount shown, for each installation:

Kelly Air Force Base, Texas, eleven units, $1,619,000.

Ramstein Air Base, Germany, two hundred units, $20,660,000.

Crotone Air Base, Italy, two thousand seven hundred and twenty-four units, $0.

Osan Air Base, Korea, one unit, $117,000.

Clark Air Base, Philippines, four hundred and fifty units, $35,427,000.

Beale Air Force Base, California, housing office, $295,000.

Edwards Air Force Base, California, housing office, $327,000.

Scott Air Force Base, Illinois, housing office, $407,000.

England Air Force Base, Louisiana, housing maintenance facility, $226,000.

Tinker Air Force Base, Oklahoma, housing office, $291,000.

Myrtle Beach Air Force Base, South Carolina, housing maintenance facility, $382,000.

(b) PLANNING AND DESIGN.—The Secretary of the Air Force may, using amounts appropriated pursuant to section 1304(a)(6)(A), carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $8,000,000.

SEC. 1303. IMPROVEMENT TO MILITARY FAMILY HOUSING UNITS

(a) IN GENERAL.—Subject to section 2825 of title 10, United States Code, the Secretary of the Air Force may, using amounts appropriated pursuant to section 1304(a)(6)(A), improve existing military family housing units in an amount not to exceed $173,349,000.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under Section 2825(b) of title 10, United States Code, the Secretary of the Air Force may carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:

Maxwell Air Force Base, Alabama, eight units, $357,000; eight units, $800,000; one unit, $108,000; thirty-two units, $1,548,000.

Elmendorf Air Force Base, Alaska, eighty-eight units, $9,578,000.

Davis-Monthan Air Force Base, Arizona, five units, $200,000.

Travis Air Force Base, California, one hundred and forty-two units, $7,691,000.

Peterson Air Force Base, Colorado, thirty-two units, $1,438,000.

Bolling Air Force Base, District of Columbia, forty units, $1,683,000.

Tyndall Air Force Base, Florida, forty units, $2,441,000.

Scott Air Force Base, Illinois, four units, $250,000; eighty units, $4,076,000.

England Air Force Base, Louisiana, one hundred and one units, $4,208,000.

Whiteman Air Force Base, Missouri, fifteen units, $970,000.

Nellis Air Force Base, Nevada, thirty-two units, $1,727,000.

Holloman Air Force Base, New Mexico, one hundred and twenty-three units, $5,710,000; one unit, $47,000.

Bergstrom Air Force Base, Texas, two units, $149,000.

Carswell Air Force Base, Texas, one hundred and nineteen units, $5,432,000.

Randolph Air Force Base, Texas, one hundred and twenty-four units, $4,135,000; one unit, $78,000.

Langley Air Force Base, Virginia, eighty-six units, $5,398,000.

Fairchild Air Force Base, Washington, two hundred and thirty units, $12,162,000.

Ramstein Air Base, Germany, one unit, $137,000; twenty-four units, $2,180,000; thirty-eight units, $2,681,000.

Spangdahlem Air Base, Germany, four units, $302,000.

Andersen Air Base, Guam, two hundred units, $17,817,000.

Kadena Air Base, Japan, one unit, $127,000; seventy-five units, $5,851,000.

Misawa Air Base, Japan, one hundred and eleven units, $9,028,000.

Clark Air Base, Philippines, seventy-seven units, $3,234,000.

RAF Alconbury, United Kingdom, one unit, $55,000.

RAF Bentwaters, United Kingdom, eighty-three units, $4,610,000.

RAF Chicksands, United Kingdom, thirty-four units, $3,027,000.

RAF Lakenheath, United Kingdom, fourteen units, $1,153,000, sixty units, $3,408,000.

RAF Mildenhall, United Kingdom, two units, $89,000.

(c) WAIVER OF SPACE LIMITATIONS FOR FAMILY HOUSING UNITS.—(1) To support the United States Air Forces in Europe and Military Airlift Command, the Secretary of the Air Force may carry out improvement projects to add to and alter existing family housing units and, notwithstanding section 2826(a) of title 10, United States Code—

(A) increase the net floor area of one family housing unit at Ramstein Air Base, Germany, to not more than 3,045 square feet; and

(B) increase the net floor area of four family housing units at Scott Air Force Base, Illinois, to not more than 2,470 square feet.

(2) To support the Air Force Logistics Command and Pacific Air Forces, the Secretary of the Air Force may (notwithstanding section 2826(a) of title 10, United States Code) carry out new construction projects—

(A) to build five family housing units at Kelly Air Force Base, Texas, to not more than 3,000 square feet; and

(B) to convert one building to a family housing unit at Osan Air Base, Korea, to contain not more than 3,000 square feet.

(3) For purposes of this subsection, the term "net floor area" has the same meaning given that term by section 2826(f) of title 10, United States Code.

SEC. 1304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1989, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,401,390,000, as follows:

(1) For military construction projects inside the United States authorized by section 1301(a), $852,626,000.

(2) For military construction projects outside the United States authorized by section 1301(b), $350,770,000.

(3) For the construction of the Large Rocket Test Facility, Arnold Engineering Development Center, Tennessee, as authorized by section 2301(a) of the Military Construction Authorization Act of 1989, $66,000,000.

(4) For unspecified minor construction projects under section 2805 of title 10, United States Code, $7,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $106,094,000.

(6) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $3,000,000.

(7) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $241,100,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), $774,800,000 of which not more than $101,592,000 may be obligated or expended, for leasing of military family housing units worldwide.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 1301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 1305. EXTENSION OF CERTAIN PRIOR YEAR AUTHORIZATIONS

Notwithstanding the provisions of section 2171(a) of the Military Construction Authorization Act, 1988 (Public Law 100-180), authorizations for the following projects authorized in sections 2301 and 2302 of that Act, as extended by section 2305 of the Military Construction Authorization Act, 1989 (Public Law 100-460), shall remain in effect until October 1, 1991, or the date of the enactment of a Military Construction Authorization Act for fiscal year 1992, whichever is later:

(1) KC-135 CPT Simulator facility in the amount of $760,000, at Beale Air Force Base, California.

(2) KC-135 CPT Simulator facility, in the amount of $760,000 at Plattsburgh Air Force Base, New York.

(3) KC-135 CPT Simulator facility, in the amount of $710,000 at Carswell Air Force Base, Texas.

(4) KC-135 CPT Simulator facility, in the amount of $840,000 at K.I. Sawyer Air Force Base, Michigan.

(5) KC-135 CPT Simulator facility, in the amount of $1,150,000 at Loring Air Force Base, Maine.

(6) Jet fuel Storage in the amount of $2,900,000 at Griffiss Air Force Base, New York.

(7) LANTIRN support building in the amount of $600,000 at Seymour Johnson Air Force Base, North Carolina.

(8) Add to and alter Electrical Distribution System in the amount of $8,480,000 at Griffiss Air Force Base, New York.

(9) Thirty-four family housing units in the amount of $2,530,000 Holbrook, Arizona.

TITLE IV—DEFENSE AGENCIES

SEC. 1401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of Defense may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

DEFENSE LOGISTICS AGENCY

Defense Depot, Tracy, California, $24,000,000.

Defense Reutilization and Marketing Office, Eglin Air Force Base, Florida, $2,750,000.

Defense Fuel Support Point, Searsport, Maine, $2,700,000.

Defense Construction Supply Center, Columbus, Ohio, $26,600,000.

Defense Personnel Support Center, Philadelphia, Pennsylvania, $3,800,000.

Defense General Supply Center, Richmond, Virginia, $6,066,000.

Defense Fuel Support Point, Manchester, Washington, $22,600,000.

DEFENSE MEDICAL FACILITIES OFFICE

Maxwell Air Force Base, Alabama, $1,600,000.

Naval Air Station, Mobile, Alabama, $3,000,000.

Naval Air Station, Adak, Alaska, $18,000,000.

Marine Corps Air Station, Twenty-Nine Palms, California, $38,000,000.

Hurlburt Field, Florida, $6,000,000.

Naval Air Station, Jacksonville, Florida, $2,400,000.

Patrick Air Force Base, Florida, $2,700,000.

Andrews Air Force Base, Maryland, $2,900,000.

Naval Station, Pascagoula, Mississippi, $2,548,000.

Lackland Air Force Base, Texas, $6,000,000.

Naval Station, Ingleside, Texas, $2,300,000.

Portsmouth Naval Hospital, Virginia, $330,000,000.

DEFENSE NUCLEAR AGENCY

Armed Forces Radiobiology Research Institute, Bethesda, Maryland, $900,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $21,444,000.

OFFICE OF THE SECRETARY OF DEFENSE

Defense Language Institute, Monterey, California, $16,700,000.

The Pentagon, Arlington, Virginia, $3,500,000.

Classified Location, $4,500,000.

UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

Bethesda, Maryland, $600,000.

STRATEGIC DEFENSE INITIATIVE ORGANIZATION

Nellis Air Force Base, Nevada, $6,542,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of Defense may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

DEFENSE MEDICAL FACILITIES OFFICE

Camp Carroll, Korea, $7,900,000.

Camp Garry Owen, Korea, $800,000.

Echternach Air Base, Luxembourg, $19,000,000.

Zaragoza Air Base, Spain, $680,000.

Royal Air Force, Chessington, United Kingdom, $12,200,000.

Royal Air Force, Lanark, United Kingdom, $15,000,000.

DEFENSE NUCLEAR AGENCY

Johnston Atoll, $6,168,000.

DEPARTMENT OF DEFENSE SCHOOLS

Naval Air Station, Bermuda, $4,810,000.

Augsburg, Germany, $6,300,000.

Frankfurt, Germany, $7,101,000.

Grafenwoehr, Germany, $4,186,000.

Hohenfels, Germany, $17,079,000.

Royal Air Force, Bicester, United Kingdom, $6,275,000.

Royal Air Force, Upwood, United Kingdom, $4,175,000.

Various Locations, $6,600,000.

DEPARTMENT OF DEFENSE SECTION VI SCHOOLS

Fort Buchanan, Puerto Rico, $1,155,000.

Roosevelt Roads, Puerto Rico, $6,541,000.

NATIONAL SECURITY AGENCY

Classified Location, $23,000,000.

SEC. 1402. FAMILY HOUSING

The Secretary of Defense, may, using amounts appropriated pursuant to section 1405(a)(10)(A), construct or acquire three family housing units (including land acquisition) at classified locations in the total amount not to exceed $400,000.

SEC. 1403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

Subject to section 2825 to title 10, United States Code, the Secretary of Defense may, using amounts appropriated pursuant to section 1405(a)(10)(A), improve existing military family housing units in an amount not to exeed $200,000.

SEC. 1404. CONFORMING STORAGE FACILITIES

Section 2404(a) of the Military Construction Authorization Act, 1987 (Public Law 99–661), as amended by section 2149 of the Military Construction Authorization Act, 1988 and 1989 (Public Law 100–180), and by section 2405 of the Military Construction Authorization Act, 1989 (Public Law 100–456), is amended to read as follows:

"(a) AUTHORITY TO CONSTRUCT.—The Secretary of Defense may, using not more than $10,000,000 appropriated for fiscal year 1987, using not more than $5,000,000 appropriated for fiscal year 1988, using not more than $9,300,000 appropriated for fiscal year 1989, and using not more than $11,000,000 appropriated for fiscal year 1990, carry out military construction projects not otherwise authorized by law for conforming storage facilities.".

SEC. 1405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1989, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $617,500,000, as follows:

(1) For military construction projects inside the United States authorized by section 1401(a), $236,650,000.

(2) For military construction projects outside the United States authorized by section 1401(a), $148,970,000.

(3) For military construction projects at Fort Sill, Oklahoma, $27,000,000 as authorized by section 2401(a) of the Military Construction Authorization Act, 1989.

(4) For military construction projects at Fort Sam Houston, Texas, authorized by section 2401(a) of the

Military Construction Authorization Act, 1987, as amended $53,000,000.

(5) For military construction projects at Fort Lewis, Washington, authorized by section 101(a) of the Military Construction Authorization Act, 1985, $16,000,000.

(6) For unspecified minor constructed projects under section 2805 of title 10, United States Code, $13,100,000.

(7) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(8) For architectural and engineering services and for construction design under section 2807 of title 10, United States Code, $80,480,000.

(9) For conforming storage facilities construction under the authority of section 2404 of the Military Construction Authorization Act, 1987, as amended, $11,000,000.

(10) For military family housing functions—

(A) for construction and acquisition of military family housing facilities, $600,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), $20,700,000, of which not more than $17,825,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) Limitation of Total Cost of Construction Projects.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 1401 may not exceed—

(1) the total amount authorized to be appropriated under paragraph (1) and (2) of subsection (a);

(2) $321,500,000 (the balance of the amount authorized under section 1401(a) for the construction of a medical facility at Portsmouth Naval Hospital, Virginia).

SEC. 1406. PORTSMOUTH NAVAL HOSPITAL, VIRGINIA

The Secretary of Defense may, in advance of apppriations therefor, enter into one or more contracts for the design and construction of the military construction project authorized by section 1401 to be accomplished at Portsmouth Naval Hospital, Virginia, if each such contract limits the payments that the Federal Government is obligated to make under such contract to the amount of appropriations available for obligation under such contract, at the time the contract is executed.

SEC. 1407. EXTENSION OF CERTAIN PREVIOUS AUTHORIZATIONS

Notwithstanding the provisions of section 2171(a) of the Military Construction Authorization Act, 1988 and 1989 (Division B of Public Law 100–180), authorizations for the following projects authorized in section 2141 of that Act shall remain in effect until October 1, 1991, or until the date of enactment of a Military Construction Authorization Act for fiscal year 1992, whichever is later:

(1) Fuel Tankage, in the amount of $9,400,000 at Defense Fuel Supply Point, Key West, Florida.

(2) Connector Warehouse, in the amount of $18,500,000 at Defense General Supply Center, Richmond, Virginia.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 1501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Infrastructure Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 1502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 1502. AUTHORIZATION OF APPROPRIATIONS, NATO

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1989, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Infrastructure Program as authorized by section 1501, in the amount of $501,900,000.

TITLE VI—GUARD AND RESERVE FORCES FACILITIES

SEC. 1601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS

There are authorized to be appropriated for fiscal years beginning after September 30, 1989, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $114,000,000, and

(B) for the Army Reserve, $76,900,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $50,900,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $164,600,000, and

(B) for the Air Force Reserve, $46,200,000.

TITLE VII—EXPIRATION OF AUTHORIZATIONS

SEC. 1701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW

(a) Expiration of Authorizations After Two Years.—Except as provided in subsection (b), all authorizations contained in titles I, II, III, IV, and V for military construction projects, land acquisition, family housing projects and facilities, and contributions to the NATO Infrastructure Program (and authorizations of appropriations therefor) shall expire on October 1, 1991, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1992, whichever is later.

(b) Exception.—The provisions of subsection (a) do not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the NATO Infrastructure Program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before October 1, 1991, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1992, whichever is later, for construction contracts, land acquisitions, family housing projects and facilities, or contributions to the NATO Infrastructure Program.

SEC. 1702. EFFECTIVE DATES

Titles I, II, III, IV, V, and VI shall be in effect as of October 1, 1989, or the date of enactment of a Military Construction Authorization Act for Fiscal Year 1990, whichever is later.

Subdivision 2—Fiscal Year 1991

TITLE I—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

ALABAMA

Anniston Army Depot, $34,300,000.
Fort McClellan, $3,100,000.
Fort Rucker, $3,150,000.

ALASKA

Fort Wainwright, $6,050,000.

ARIZONA

Fort Huachuca, $860,000.

ARKANSAS

Pine Bluff Arsenal, $18,550,000.

CALIFORNIA

Fort Irwin, $3,700,000.

Fort Ord, $15,300,000.

COLORADO

Fort Carson, $24,600,000.

GEORGIA

Fort Stewart, $4,800,000.

HAWAII

Schofield Barracks, $9,600,000.

ILLINOIS

Savanna Army Depot, $890,000.

KANSAS

Fort Leavenworth, $35,000,000.

Fort Riley, $2,550,000.

KENTUCKY

Fort Campbell, $2,130,000.

Fort Knox, $17,450,000.

LOUISIANA

Fort Polk, $880,000.

MARYLAND

Aberdeen Proving Ground, $12,250,000.

Fort Detrick, $550,000.

MISSOURI

Fort Leonard Wood, $8,600,000.

NEW JERSEY

Fort Dix, $26,000,000.

Fort Monmouth, $6,400,000.

NEW YORK

Fort Drum, $11,000,000.

United States Military Academy, $5,400,000.

NORTH CAROLINA

Fort Bragg, $76,450,000.

OKLAHOMA

Fort Sill, $22,300,000.

OREGON

Umatilla Depot Activity, $45,500,000.

PENNSYLVANIA

Carlisle Barracks, $27,850,000.

Fort Indiantown Gap, $4,600,000.

Tobyhanna Army Depot, $6,450,000.

TEXAS

Fort Hood, $43,400,000.

Fort Sam Houston, $22,250,000.

UTAH

Dugway Proving Ground, $14,040,000.

VIRGINIA

Fort A. P. Hill, $2,500,000.

Fort Belvoir, $2,200,000.

Fort Eustis, $520,000.

Fort Myer, $1,500,000.

WASHINGTON

Fort Lewis, $36,050,000.

WISCONSIN

Fort McCoy, $12,150,000.

VARIOUS LOCATIONS

Classified Location, $4,000,000.

(b) Outside the United States.—The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

GERMANY

Ansbach, $4,900,000.

Bad Kreuznach, $4,400,000.

Bamberg, $11,000,000.

Baumholder, $10,200,000.

Bitburg, $9,700,000.

Darmstadt, $2,950,000.

Fulda, $2,900,000.

Giessen, $42,600,000.

Grafenwoehr, $3,900,000.

Hanau, $5,000,000.

Hohenfels, $4,210,000.

Kaiserslautern, $9,650,000.

Karlsruhe, $9,000,000.

Pirmasens, $1,000,000.

Rheinberg, $9,450,000.

Schweinfurt, $1,300,000.

Vilseck, $7,150,000.

Wildflecken, $12,400,000.

Worms, $1,350,000.

Wuerzburg, $11,800,000.

Various, $2,500,000.

HONDURAS

Various Locations, $2,400,000.

JAPAN

Various Locations, $14,800,000.

KOREA

Camp Carroll, $890,000.

Camp Casey, $8,400,000.

Camp Castle, $3,950,000.

Camp Garry Owen, $1,500,000.

Camp Henry, $11,600,000.

Camp Humphreys, $8,800,000.

Camp Indian, $2,800,000.

Camp Laguardia, $2,000,000.

Camp Long, $1,600,000.

Camp Mercer, $3,100,000.

Camp Nimble, $1,600,000.

Camp Pelham, $9,300,000.

Camp Sears, $5,500,000.

K–16 Airfield, $1,600,000.

Location 177, $800,000.

Various, $8,900,000.

VARIOUS LOCATIONS

Classified Locations, $10,500,000.

SEC. 2102. FAMILY HOUSING

(a) CONSTRUCTION AND ACQUISITION.—The Secretary of the Army may, using amounts appropriated pursuant to section 2104(a)(7)(A), construct or acquire family housing units (including land acquisition), at the following installations in the number of units shown, and in the amount shown, for each installation:

Hawaii, Oahu Various, one hundred and twenty-six units, $15,000,000.

Verona, Italy, one unit, $300,000.

(b) PLANNING AND DESIGN.—The Secretary of the Army may, using amounts appropriated pursuant to section 2104(a)(7)(A), carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $3,190,000.

(c) WAIVER OF SPACE LIMITATIONS FOR GENERAL OFFICER'S QUARTERS AT VERONA, ITALY.—(1) Notwithstanding the maximum space limitations under section 2826(a) of title 10, United States Code, the Secretary of the Army may carry out a new construction project at Verona, Italy, for General Officer Quarters to contain not more than 3,000 square feet.

(2) For purposes of this subsection, the term, "net floor area" has the meaning given that term by section 2826(f) of title 10, United States Code.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) In General.—Subject to Section 2825 of title 10, United States Code, the Secretary of the Army may, using amounts appropriated pursuant to section 2104(a)(7)(A), improve existing military family housing in an amount not to exceed $40,010,000.

(b) Waiver of Maximum Per Unit Cost for Certain Improvement Projects.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Army may carry out projects to improve eight existing military family housing units at Walter Reed Army Medical Center with an amount not to exceed $370,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1990, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,617,650,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $574,870,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $267,400,000.

(3) For the construction of the Central Distribution Center, Phase III, Red River Army Depot, Texas, as authorized by section 2101 of the National Defense Authorization Act, 1989, $39,000,000.

(4) For unspecified minor construction projects authorized under section 2805 of title 10, United States Code, $12,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $96,530,000.

(6) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $5,500,000.

(7) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $58,500,000; and

(B) for support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,558,750,000, of which not more than $453,884,000 may be obligated or expended for the leasing of military family housing worldwide.

(8) For the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, $5,100,000, to remain in effect until expended.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE II—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

ALASKA

Adak, Naval Air Station, $3,200,000.

Adak, Naval Security Group Activity, $2,500,000.

ARIZONA

Yuma, Marine Corps Air Station, $3,000,000.

CALIFORNIA

Camp Pendleton, Marine Corps Base, $25,000,000.

Camp Pendleton, Naval Hospital, $1,050,000.

China Lake, Naval Weapons Center, $17,500,000.

Concord, Naval Weapons Station, $16,500,000.

Coronado, Naval Amphibious Base, $19,800,000.

El Centro, Naval Air Facility, $7,700,000.

El Toro, Marine Corps Air Station, $13,000,000.

Lemoore, Naval Air Station, $1,320,000.

Long Beach, Naval Shipyard, $500,000.

Long Beach, Naval Station, $3,500,000.

Miramar, Naval Air Station, $6,220,000.

Monterey, Naval Postgraduate School, $12,080,000.

North Island, Naval Air Station, $1,500,000.

Point Mugu, Pacific Missile Test Center, $2,060,000.

Port Hueneme, Naval Construction Battalion Center, $2,000,000.

Port Hueneme, Naval Ship Weapon Systems Engineering Station, $10,100,000.

San Diego, Fleet Anti-Submarine Warfare Training Center, Pacific, $2,100,000.

San Diego, Fleet Combat Training Center, Pacific, $15,260,000.

San Diego, Naval Hospital, $1,500,000.

San Diego, Naval Ocean Systems Center, $11,700,000.

San Diego, Naval Station, $8,430,000.

San Diego, Naval Submarine Base, $440,000.

San Diego, Naval Supply Center, $6,340,000.

San Diego, Naval Training Center, $11,950,000.

San Diego, Naval Public Works Center, $21,200,000.

San Francisco, Navy Public Works Center, $11,200,000.

Seal Beach, Naval Weapons Station, $8,830,000.

Skaggs Island, Naval Security Group Activity, $1,472,000.

Twentynine Palms, Marine Corps Air-Ground Combat Center, $10,100,000.

CONNECTICUT

New London, Naval Submarine Base, $26,270,000.

New London, Naval Submarine School, $15,000,000.

DISTRICT OF COLUMBIA

Washington, Naval Research Laboratory, $9,800,000.

FLORIDA

Cecil Field, Naval Air Station, $4,010,000.

Jacksonville, Naval Air Station, $9,100,000.

Key West, Naval Air Station, $7,000,000.

Mayport, Fleet Training Center, $5,300,000.

Mayport, Naval Station, $3,600,000.

Orlando, Naval Training Center, $17,950,000.

Panama City, Naval Coastal Systems Center, $5,300,000.

Pensacola, Navy Public Works Center, $3,440,000.

GEORGIA

Albany, Marine Corps Logistics Base, $2,600,000.

Kings Bay, Naval Submarine Base, $69,120,000.

HAWAII

Lualualei, Naval Magazine, $1,400,000.

Pearl Harbor, Commander Oceanographic System Pacific, $10,200,000.

Pearl Harbor, Naval Submarine Base, $2,000,000.

Pearl Harbor, Navy Public Works Center, $6,900,000.

ILLINOIS

Great Lakes, Naval Training Center, $2,800,000.

Great Lakes, Navy Public Works Center, $1,800,000.

INDIANA

Crane, Naval Weapons Support Center, $8,900,000.

MAINE

Kittery, Portsmouth Naval Shipyard, $30,500,000.

MARYLAND

Bethesda, Naval Hospital, $9,000,000.

Indian Head, Naval Ordnance Station, $6,400,000.

Patuxent River, Naval Air Test Center, $3,000,000.

Patuxent River, Naval Hospital, $2,250,000.

MISSISSIPPI

Bay St. Louis, Naval Oceanography Command Facility, $1,700,000.

Gulfport, Naval Construction Training Center, $8,600,000.

NEVADA

Fallon, Naval Air Station, $3,340,000.

NEW JERSEY

Earle, Naval Weapons Station, $20,000,000.

NEW MEXICO

White Sands, Naval Ordnance Missile Test Station, $600,000.

NEW YORK

Garden City, Director 1st Marine Corps District, $440,000.

NORTH CAROLINA

Camp Lejeune, Marine Corps Base, $41,580,000.

Cherry Point, Marine Corps Air Station, $9,350,000.

PENNSYLVANIA

Philadelphia, Naval Station, $5,100,000.

Warminster, Naval Air Development Center, $13,700,000.

RHODE ISLAND

Newport, Naval Education and Training Center, $6,350,000.

Newport, Naval Underwater Systems Center, $4,000,000.

SOUTH CAROLINA

Beaufort, Marine Corps Air Station, $6,500,000.

Charleston, Naval Hospital, $550,000.

Charleston, Naval Shipyard, $500,000.

Charleston, Naval Station, $500,000.

Charleston, Naval Weapons Station, $36,300,000.

Parris Island, Marine Corps Recruit Depot, $3,400,000.

TEXAS

Corpus Christi, Naval Air Station, $4,700,000.

Lackland Air Force Base, Naval Technical Training Center Detachment, $11,800,000.

VIRGINIA

Arlington, Headquarters Marine Corps, $2,800,000.

Camp Elmore, Marine Corps Detachment, $2,850,000.

Dahlgren, Naval Space Surveillance System, $9,800,000.

Dam Neck, Fleet Combat Director Systems Support Activity, $6,330,000.

Dam Neck, Marine Environmental System Facility, $8,000,000.

Little Creek, Naval Amphibious Base, $21,850,000.

Little Creek, Naval Amphibious School, $2,240,000.

Norfolk, Fleet Training Center, $18,000,000.

Norfolk, Naval Station, $9,000,000.

Norfolk, Navy Public Works Center, $3,130,000.

Oceana, Naval Air Station, $3,150,000.

Portsmouth, Shore Intermediate Maintenance Activity, $12,094,000.

Quantico, Marine Corps Combat Development Command, $19,850,000.

Quantico, Naval Research Laboratory Washington Annex, $2,600,000.

Wallops Island, Naval Surface Warfare Center, $5,460,000.

WASHINGTON

Bangor, Trident Refit Facility, $3,010,000.

Bangor, Trident Training Facility, $3,600,000.

Bremerton, Puget Sound Naval Shipyard, $1,700,000.

Everett, Naval Station, $22,150,000.

Keyport, Naval Undersea Warfare Engineering Station, $18,500,000.

Oak Harbor, Naval Hospital, $2,170,000.

Silverdale, Strategic Weapons Facility Pacific, $53,700,000.

Whidbey Island, Naval Air Station, $17,900,000.

Whidbey Island, Naval Facility, $1,550,000.

VARIOUS LOCATIONS

Land Acquisition, $7,800,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

CANADA

Argentia, Newfoundland, Naval Facility, $1,350,000.

GUAM

Fleet Surveillance Support Command, $30,000,000.

Naval Magazine, $9,000,000.

Naval Supply Depot, $2,900,000.

ICELAND

Keflavik, Naval Air Station, $1,030,000.

Keflavik, Naval Communication Station, $4,370,000.

ITALY

Sicily, Naval Communication Station, $1,750,000.

Sigonella, Naval Air Station, $7,360,000.

JAPAN

Hanza, Okinawa, Naval Security Group Activity, $1,000,000.

Iwakuni, Marine Corps Air Station, $3,090,000.

PUERTO RICO

Sabana Seca, Naval Security Group Activity, $810,000.

SPAIN

Rota, Naval Communication Station, $1,740,000.

UNITED KINGDOM

Brawdy Wales, Fleet Surveillance Support Command, $3,600,000.

London, Personnel Support Activity, $500,000.

VARIOUS LOCATIONS

Host Nation Infrastructure Support, $1,000,000.

SEC. 2202. FAMILY HOUSING

(a) CONSTRUCTION AND ACQUISITION.—The Secretary of the Navy may, using amounts appropriated pursuant to section 2204(a)(8)(A), construct or acquire family housing units (including land acquisition), at the following installations in the number of units shown, and in the amount shown, for each installation:

Camp Pendleton, Marine Corps Base, California, one hundred and twelve units, $11,750,000.

Long Beach, Naval Station, California, three hundred units, $24,900,000.

Point Mugu, Pacific Missile Test Center, California, Family Housing Office, $480,000.

San Diego, Navy Public Works Center, California, three hundred units, $31,850,000.

New York, Naval Station, New York, one hundred and fifty units, $19,600,000.

Little Creek, Naval Amphibious Base, Virginia, Family Housing Office, $370,000.

Norfolk, Navy Public Works Center, Virginia, Community Centers, $830,000.

Naval Air Station, Family Housing Office, Bermuda, $374,000.

Guantanamo Bay, Naval Station, Cuba, two hundred and fifty-four units, $31,669,000.

Keflavik, Naval Air Station, Iceland, one hundred and twelve units, $27,200,000.

(b) PLANNING AND DESIGN.—The Secretary of the Navy may, using amounts appropriated pursuant to section 2204(a)(8)(A), carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $1,500,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) IN GENERAL.—Subject to section 2825 of title 10, United States Code, the Secretary of the Navy may, using amounts appropriated pursuant to section 2204(a)(8)(A), improve existing military family housing units in the amount of $45,677,000.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Navy may carry out projects to improve existing military family housing units at the following installations in the number of units shown and in the amount shown, for each installation:

Camp Pendleton, Marine Corps Base, California, one hundred and seventy units, $7,642,000.

Great Lakes, Navy Public Works Center, Illinois, one hundred and seventy-eight units, $9,244,600.

Thurmont, Naval Support Facility, Maryland, twenty-one units, $902,900.

Fallon, Naval Air Station, Nevada, one unit, $130,400.

Portsmouth, Hospital, Virginia, one unit, $82,100.

Bangor, Naval Submarine Base, Washington, one hundred units, $6,058,600.

Subic Bay, Navy Public Works Center, Philippines, thirty-four units, $1,813,100.

Roosevelt Roads, Naval Station, Puerto Rico, thirty-two units, $1,804,200.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1990, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,082,100,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $960,936,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $69,500,000.

(3) For the construction of Bancroft Hall, United States Naval Academy, Annapolis, Maryland, as authorized by section 1201(a), $24,000,000.

(4) For the construction of the Headquarters Building, Suitland Naval Intelligence Command Headquarters, Suitland, Maryland, as authorized by section 2201(a) of the Military Construction Authorization Act, 1989, $55,048,000.

(5) For unspecified minor construction projects under section 2805 of title 10, United States Code, $15,500,000.

(6) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $81,999,000.

(7) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $4,017,000.

(8) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $196,200,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), $674,900,000, of which not more than $66,421,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Nothwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE III—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amount shown for each of the installations and locations inside the United States:

ALABAMA

Gunter Air Force Base, $21,000,000.

Maxwell Air Force Base, $21,600,000.

ALASKA

Clear Air Force Station, $5,000,000.

Eielson Air Force Base, $15,450,000.

Elmendorf Air Force Base, $10,500,000.

King Salmon Airport, $2,400,000.

Shemya Air Force Base, $48,200,000.

Various Locations, $12,000,000.

ARIZONA

Davis-Monthan Air Force Base, $2,600,000.

Luke Air Force Base, $5,900,000.

Williams Air Force Base, $9,180,000.

CALIFORNIA

Beale Air Force Base, $6,100,000.

Castle Air Force Base, $2,950,000.

Edwards Air Force Base, $17,100,000.

Fort MacArthur, $2,300,000.

March Air Force Base, $1,050,000.

McClellan Air Force Base, $11,600,000.

Sierra Army Depot, $3,150,000.

Vandenberg Air Force Base, $2,050,000.

COLORADO

Falcon Air Force Station, $2,000,000.

Lowry Air Force Base, $2,200,000.

Peterson Air Force Base, $11,150,000.

United States Air Force Academy, $26,800,000.

FLORIDA

Avon Park Range, $700,000.

Cape Canaveral Air Force Station, $2,000,000.

Eglin Air Force Base, $4,700,000.

Eglin Auxiliary Field Number 9, $11,250,000.

Homestead Air Force Base, $7,800,000.

MacDill Air Force Base, $12,250,000.

Patrick Air Force Base, $6,600,000.

Tyndall Air Force Base, $6,370,000.

GEORGIA

Moody Air Force Base, $6,600,000.

Robins Air Force Base, $36,200,000.

HAWAII

Hickam Air Force Base, $3,300,000.

Wheeler Air Force Base, $2,000,000.

IDAHO

Mountain Home Air Force Base, $4,399,000.

ILLINOIS

Scott Air Force Base, $1,200,000.

LOUISIANA

Barksdale Air Force Base, $2,370,000.

England Air Force Base, $4,410,000.

MAINE

Bangor Air National Guard Base, $970,000.

Loring Air Force Base, $4,530,000.

MARYLAND

Andrews Air Force Base, $17,850,000.

Fort George G. Meade, $1,750,000.

MASSACHUSETTS

Hanscom Air Force Base, $3,700,000.

MICHIGAN

K.I. Sawyer Air Force Base, $2,700,000.

Wurtsmith Air Force Base, $900,000.

MISSISSIPPI

Columbus Air Force Base, $400,000.

MISSOURI

Whiteman Air Force Base, $112,090,000.

MONTANA

Malmstrom Air Force Base, $1,650,000.

NEBRASKA

Offutt Air Force Base, $2,500,000.

NEVADA

Indian Springs Auxiliary Field, $2,550,000.

Nellis Air Force Base, $9,910,000.

NEW JERSEY

McGuire Air Force Base, $25,400,000.

NEW MEXICO

Holloman Air Force Base, $6,230,000

Kirtland Air Force Base, $1,500,000.

NEW YORK

Griffiss Air Force Base, $6,000,000.

Plattsburgh Air Force Base, $1,760,000.

NORTH CAROLINA

Pope Air Force Base, $4,800,000.

Seymour Johnson Air Force Base, $1,450,000

NORTH DAKOTA

Grand Forks Air Force Base, $23,400,000.

Minot Air Force Base, $3,800,000.

OHIO

Wright-Patterson Air Force Base, $10,150,000.

OKLAHOMA

Altus Air Force Base, $8,700,000.

Tinker Air Force Base, $44,000,000.

Vance Air Force Base, $1,330,000.

SOUTH CAROLINA

Charleston Air Force Base, $14,390,000.

Myrtle Beach Air Force Base, $700,000.

SOUTH DAKOTA

Ellsworth Air Force Base, $14,200,000.

TEXAS

Bergstrom Air Force Base, $2,400,000.

Brooks Air Force Base, $4,100,000.

Carswell Air Force Base, $14,860,000.

Dyess Air Force Base, $7,010,000.

Goodfellow Air Force Base, $2,670,000.

Kelly Air Force Base, $5,600,000.

Lackland Air Force Base, $22,550,000.

Laughlin Air Force Base, $1,870,000.

Randolph Air Force Base, $4,650,000.

Reese Air Force Base, $4,590,000.

Sheppard Air Force Base, $8,800,000.

UTAH

Hill Air Force Base, $18,800,000.

VIRGINIA

Langley Air Force Base, $6,720,000.

WASHINGTON

Fairchild Air Force Base, $11,500,000.

McChord Air Force Base, $4,700,000.

WYOMING

F.E. Warren Air Force Base, $10,850,000.

VARIOUS LOCATIONS

Classified Location, $3,150,000.

Classified Location, $89,030,000.

Classified Location, $74,850,000.

Classified Location, $69,780,000.

Classified Location, $11,200,000.

Various Locations, $13,800,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

ANTIGUA

Antigua Air Station, $8,200,000.

CANADA

Various Locations, $6,291,000.

GERMANY

Bitburg Air Base, $2,100,000.

Hahn Air Base, $1,400,000.

Lahr Air Base, $2,200,000.

Marienfelde Communications Station, $1,621,000.

Ramstein Air Base, $6,550,000.

Rhein-Main Air Base, $9,450,000.

Spangdahlem Air Base, $12,400,000.

Zweibrucken Air Base, $1,300,000.

GREENLAND

Thule Air Base, $12,500,000.

GUAM

Anderson Air Force Base, $5,600,000.

HONDURAS

La Mesa Air Base, $13,400,000.

Palmerola Air Base, $3,800,000.

ITALY

Aviano Air Base, $1,950,000.

Comiso Air Base, $1,300,000.

Crotone Air Base, $5,850,000.

Ghedi Air Base, $550,000.

Rimini Air Base, $510,000.

San Vito Air Station, $2,750,000.

JAPAN

Kadena Air Base, $1,950,000.

Misawa Air Base, $3,000,000.

KOREA

Kunsan Air Base, $13,940,000.

Osan Air Base, $24,200,000.

Suwon Air Base, $1,300,000.

Taegu Air Base, $2,450,000.

NETHERLANDS

Soesterberg Air Base, $5,900,000.

PHILIPPINES

Clark Air Base, $31,030,000.

PORTUGAL

Lajes Field, $1,150,000.

SEYCHELLE ISLANDS

Mahe Air Station, $4,000,000.

TURKEY

Ankara Air Station, $2,000,000.

Eskisehir Air Base, $2,500,000.

Incirlik Air Base, $4,480,000.

Pirinclik Air Station, $1,650,000.

UNITED KINGDOM

High Wycombe Air Station, $1,400,000.

RAF Alconbury, $10,600,000.

RAF Bentwaters, $3,300,000.

RAF Chicksands	$12,600,000.
RAF Fairford	$10,750,000.
RAF Greenham Common	$2,450,000.
RAF Lakenheath	$16,500,000.
RAF Mildenhall	$1,100,000.
RAF Uppder Heyford	$13,650,000.
RAF Woodbridge	$1,350,000.
VARIOUS LOCATIONS	
Classified Location	$7,200,000.
Classified Location	$5,300,000.
Classified Location	$4,980,000.
Classified Location	$930,000.
Classified Location	$14,243,000.
WORLDWIDE CLASSIFIED	
Classified Location	$2,700,000.
Classified Location	$4,300,000.
Classified Location	$3,900,000.
Classified Location	$4,700,000.

SEC. 2302. FAMILY HOUSING

(a) CONSTRUCTION AND ACQUISITION.—The Secretary of the Air Force may, using amounts appropriated pursuant to section 2304(a)(8)(A), construct or acquire family housing units (including land acquisition) at the following installations in the number of units shown, and in the amount shown, for each installation:

Eglin Auxiliary Airfield number 9, Florida, three hundred units, $21,753,000.

Clark Air Base, Philippines, four hunded and fifty units, $34,655,000.

Classified Location, ninety-nine units, $7,023,000.

Nellis Air Force Base, Nevada, housing office, $235,000.

Holloman Air Force Base, New Mexico, housing maintenance facility, $219,000.

Charleston Air Force Base, South Carolina, housing office and maintenance facility, $592,000.

Myrtle Beach Air Force Base, South Carolina, housing office, $258,000.

Ellsworth Air Force Base, South Dakota, housing office, $313,000.

Andersen Air Force Base, Guam, housing supply and storage facility, $1,371,000.

Osan Air Base, Korea, housing supply and storage supply facility, $867,000.

(b) PLANNING AND DESIGN.—The Secretary of the Air Force may, using amounts appropriated pursuant to section 2304(a)(8)(A), carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $8,000,000.

SEC. 2303. IMPROVEMENT TO MILITARY FAMILY HOUSING UNITS

(a) IN GENERAL.—Subject to section 2825 of title 10, United States Code, the Secretary of the Air Force may, using amounts appropriated pursuant to section 2304(a)(8)(A), improve existing military family housing units in an amount not to exceed $192,714,000.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Air Force may carry out projects to improve existing military family housing units at the following installations, in the number of units shown, and in the amount shown, for each installations:

Maxwell Air Force Base, Alabama, thirty-five units, $1,879,000; one unit, $110,000; seven units, $728,000.

Eielson Air Force Base, Alaska, fifty-one units, $5,669,000.

Elmendorf Air Force Base, Alaska, forty units, $4,451,000.

Eaker Air Force Base, Arkansas, one hundred and eighty-eight units, $9,469,000.

McClellan Air Force Base, California, fifteen units, $1,004,000.

Travis Air Force Base, California, one hundred and forty-four units, $7,560,000.

Peterson Air Force Base, Colorado, thirty-five units, $1,622,000.

Bolling Air Force Base, District of Columbia, fifty-eight units, $2,414,000.

Eglin Air Force Base, Florida, fifty-four units, $1,857,000.

MacDill Air Force Base, Florida, forty-four units, $2,456,000.

Robins Air Force Base, Georgia, forty units, $1,710,000.

Plattsburgh Air Force Base, New York, two hundred and twenty-four units, $14,760,000.

Charleston Air Force Base, South Carolina, one hundred and eight units, $7,203,000.

Myrtle Beach Air Force Base, South Carolina, one hundred and thirty units, $5,759,000.

Shaw Air Force Base, South Carolina, one hundred and twenty-four units, $5,843,000.

Bergstrom Air Force Base, Texas, eighty-eight units, $3,312,000.

Kelly Air Force Base, Texas, thirty-three units, $1,750,000.

Laughlin Air Force Base, Texas, one hundred and forty units, $5,012,000.

Sheppard Air Force Base, Texas, one hundred and ninety-seven units, $7,633,000.

Fairchild Air Force Base, Washington, two hundred and two units, $10,759,000.

Ramstein Air Force Base, Germany, one unit, $124,000; fifty-four units, $3,761,000; ninety units, $6,630,000.

Spangdahlem Air Base, Germany, two units, $217,000.

Kadena Air Base, Japan, seventy-five units, $6,338,000; ninety-two units, $6,018,000.

Clark Air Base, Philippines, one hundred and fifty units, $6,009,000.

Moron Air Base, Spain, thirty-six units, $2,192,000.

RAF Bentwaters, United Kingdom, forty-two units, $2,082,000; twenty-four units, $2,078,000.

RAF Chicksands, United Kingdom, thirty-four units, $2,989,000.

RAF Lakenheath, United Kingdom, sixty units, $3,512,000; ten units, $834,000; fourteen units, $940,000.

RAF Mildenhall, United Kingdom, fourteen units, $699,000.

(c) WAIVER OF SPACE LIMITATIONS FOR FAMILY HOUSING UNITS.—(1) To support the United States Air Forces in Europe and Military Airlift Command, the Secretary of the Air Force may carry out an improvement project to add to and alter existing family housing units and (notwithstanding section 2826(a) of title 10, United States Code) increase the net floor area of one family housing units at Ramstein Air Base, Germany, to not more than 3,636 square feet.

(2) For purpose of the subsection, the term "net floor area" has the same meaning given that term by section 2826(f) of title 10, United States Code.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1990, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,709,300,000.

(1) For military construction projects inside the United States authorized by section 2301(a), $1,087,019,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $321,225,000.

(3) For the construction of the Large Rocket Test Facility, Arnold Engineering Development Center, Tennessee, as authorized by section 2301(a) of the Military Construction Authorization Act of 1989, $66,300,000.

(4) For unspecified minor construction projects under section 2805 of title 10, United States Code, $12,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $114,756,000.

(6) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $5,000,000.

(7) For military family housing functions—

(A) For construction and acquisition of military family housing and facilities, $268,000,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), $835,000,000 of which not more than $138,632,000 may be obligated or expended for leasing of military family housing units worldwide.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE IV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of Defense may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

DEFENSE COMMUNICATIONS AGENCY

Wheeler Air Force Base, Hawaii, $800,000.

Arlington Service Center, Virginia, $2,600,000.

DEFENSE LOGISTICS AGENCY

Defense Reutilization and Marketing Office, Anniston Army Depot, Alabama, $2,100,000.

Defense Depot, Tracy, California, $16,250,000.

Defense Reutilization and Marketing Office, Stockton, California, $800,000.

Defense Fuel Support Point, Jacksonville, Florida, $2,200,000.

Defense Contract Administrative Services Region, Chicago, Illinois, $4,346,000.

Defense Depot, Mechanicsburg, Pennsylvania, $17,720,000.

Defense Reutilization and Marketing Office, Fort Jackson, South Carolina, $500,000.

Defense Depot, Memphis, Tennessee, $14,160,000.

Defense Fuel Support Point, Norfolk, Virginia, $19,500,000.

Defense General Supply Center, Richmond, Virginia, $4,924,000.

Defense Reutilization and Marketing Office, F. E. Warren Air Force Base, Wyoming, $1,700,000.

DEFENSE MEDICAL FACILITIES OFFICE

Marine Corps Base, Camp Pendleton, California, $3,900,000.

Walter Reed Army Medical Center, District of Columbia, $3,400,000.

MacDill Air Force Base, Florida $3,000,000.

Fort Benning, Georgia, $1,950,000.

Fort Riley, Kansas, $880,000.

Whiteman Air Force Base, Missouri, $9,900,000.

Fallon Naval Air Station, Nevada, $5,800,000.

Nellis Air Force Base, Nevada, $62,000,000.

Marine Corps Base, Camp Lejeune, North Carolina, $2,700,000.

Altus Air Force Base Oklahoma, $500,000.

Philadelphia Naval Shipyard, Pennsylvania, $11,000,000.

Fort Hood, Texas, $3,150,000.

Lackland Air Force Base, Texas, $2,700,000.

Dam Neck Flight Center, Virginia, $5,000,000.

Fort Lee, Virginia, $2,450,000.

Marine Corps Base, Quantico, Virginia, $1,800,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $20,396,000.

OFFICE OF THE SECRETARY OF DEFENSE

Defense Language Institute, Monterey, California, $6,150,000.

The Pentagon, Arlington, Virginia, $76,300,000.

Uniformed Services University of the Health Sciences, Bethesda, Maryland, $800,000.

Classified Locations, $35,100,000.

STRATEGIC DEFENSE INITIATIVE ORGANIZATION

Barking Sands Pacific Missile Range, Hawaii, $3,650,000.

Nevada Test Site, Nevada, $5,350,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of Defense may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

DEFENSE MEDICAL FACILITIES OFFICE

Ferris Barracks, Nuernberg, Germany, $4,750,000.

Hardt Kaserne, Goeppingen, Germany, $4,450,000.

Hohenfels Training Area, Germany, $4,800,000.

Lucius Clay Kaserne, Norddeutschland, Germany, $3,550,000.

Ramstein Air Base, Germany, $18,500,000.

Ray Barracks, Giesen, $4,400,000.

Rhein-Main Air Base, Germany, $940,000.

Aviano Air Base, Italy, $1,300,000.

Vicenza, Italy, $20,000,000.

Camp Casey, Korea, $970,000.

Camp Humphreys, Korea, $1,092,000.

Kunsan Air Base, Korea, $14,000,000.

Sinop, Turkey, $1,700,000.

Arbroath, United Kingdom, $11,188,000.

Locking, United Kingdom, $14,000,000.

DEFENSE NUCLEAR AGENCY

Johnston Atoll, $8,295,000.

DEPARTMENT OF DEFENSE SCHOOLS

Augsburg, Germany, $6,491,000.

Darmstadt, Germany, $7,867,000.

Karlsruhe, Germany, $4,704,000.

Mannheim, Germany, $6,267,000.

Ramstein Air Base, Germany, $11,863,000.

Wiesbaden, Germany, $5,925,000.

Zweibruecken, Germany, $4,365,000.

Clark Air Base, Phillippines, $7,200,000.

Harrogate, United Kingdom, $1,782,000.

Royal Air Force, Feltwell, United Kingdom, $8,825,000.

Various Locations, $16,800,000.

DEPARTMENT OF DEFENSE SECTION VI SCHOOLS

Fort Buchanan, Puerto Rico, $4,200,000.

NATIONAL SECURITY AGENCY

Classified Location, $2,000,000.

SEC. 2402. FAMILY HOUSING

The Secretary of Defense may, using amounts appropriated pursuant to section 2405(a)(9)(A), construct or acquire three family housing units (including land acquisition) at classified locations in the total amount not to exceed $400,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

Subject to section 2825 of title 10, United States Code, the Secretary of Defense may, using amounts appropriated pursuant to section 2405(a)(9)(A), improve existing military family housing units in an amount not to exceed $100,000.

SEC. 2404. CONFORMING STORAGE FACILITIES

Section 2404(a) of the Military Construction Authorization Act, 1987 (Public Law 99–661), as amended by section 2149 of the Military Construction Authorization Act, 1988 and 1989 (Public Law 100–180), by section 2405 of the Military Construction Authorization Act, 1989 (Public Law 100–456), and by section 1404 of this Act, is amended to read as follows:

"(a) AUTHORITY TO CONSTRUCTION.—The Secretary of Defense may, using not more than $10,000,000 appropriated for fiscal year 1987, using not more than $5,000,000 appropriated for fiscal year 1988, using not more than $9,300,000 appropriated for fiscal year 1989, using not more the $11,000,000 appropriated for fiscal year 1990, and using not more than $15,000,000 appropriated for fiscal year 1991, carry out military construction projects not otherwise authorized by law for conforming storage facilities.".

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1990, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $973,100,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $355,476,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $202,224,000.

(3) For military construction projects at Fort Sam Houston, Texas, authorized by section 2401(a) of the Military Construction Authorization Act, 1987, as amended, $84,000,000.

(4) For military construction projects at Portsmouth Naval Hospital, Virginia, authorized by section 1401(a), $176,000,000.

(5) For unspecified minor construction projects under section 2805 of title 10, United States Code, $14,200,000.

(6) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(7) For architectural and engineering services and for construction design under section 2807 of title 10, United States Code, $94,400,000.

(8) For conforming storage facilities constructed under the authority of section 2404 of the Military Construction Authorization Act, 1987, as amended, $15,000,000.

(9) For military family housing functions—

(A) for construction and acquisition of military family housing facilities, $500,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), $21,300,000, of which not more than $18,135,000 may be obligated or expended for the leasing of military family housing units worldwide.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Infrastructure Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1990, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the costs of projects for the North Atlantic Treaty Organization Infrastructure Program as authorized by section 2501, in the amount of $503,600,000.

TITLE VI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS

There are authorized to be appropriated for fiscal years beginning after September 30, 1990, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $119,500,000, and

(B) for the Army Reserve, $61,900,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $53,300,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $107,200,000, and

(B) for the Air Force Reserve, $38,500,000.

TITLE VII—EXPIRATION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW

(a) EXPIRATION OF AUTHORIZATIONS AFTER TWO YEARS.—Except as provided in subsection (b), all authorizations contained in titles I, II, III, IV, and V for military construction projects, land acquisition, family housing projects and facilities, and contributions to the NATO Infrastructure Program (and authorizations of appropriations therefor) shall expire on October 1, 1992, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1993, whichever is later.

(b) EXCEPTION.—The provisions of subsection (a) do not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the NATO Infrastructure Program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before October 1, 1992, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1993, whichever is later, for construction contracts, land acquisition, family housing projects and facilities, or contributions to the NATO Infrastructure Program.

SEC. 2702. EFFECTIVE DATES

Titles I, II, III, IV, V, and VI shall be in effect as of October 1, 1990, or the date of enactment of a Military Construction Authorization Act for Fiscal Year 1991, whichever is later.

Subdivision 3—General Provisions

SEC. 3101. MINOR CONSTRUCTION

Section 2805 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out "$1,000,000" and inserting in lieu thereof $1,500,000"; and

(2) in subsection (c), by striking out, "$200,000" and inserting in lieu thereof "$300,000".

SEC. 3102. FAMILY HOUSING RENTAL GUARANTEE PROGRAM

Section 802(b) of the Military Construction Authorization Act, 1984 (10 U.S.C. 2821 note) is amended—

(1) in paragraph (11), by striking out "rendering the agreement null and void" and inserting in lieu thereof "rendering the agreement null and void or providing such other remedy as is deemed appropriate";

(2) by striking out "and" at the end of paragraph (11);

(3) by striking out the period at the end of paragraph (12) and inserting in lieu thereof a semicolon; and

(4) by adding after paragraph (12) the following—

"(13) may provide that utilities, trash collection, snow removal, and entomological services will be furnished by the Federal Government, at no cost to the occupant, to the same extent that these items are provided to other occupants of government-owned housing; and

"(14) may require that rent collection and the operation and maintenance of the housing be accomplished through the use of separate agreements or the use of government personnel.".

SEC. 3103. FAMILY HOUSING LEASING

Section 2828 of title 10, United States Code, is amended—

(1) in subsection (b)(2), by striking out "$10,000" and inserting in lieu thereof "$12,000";

(2) in subsection (b)(3), by striking out subparagraph (B);

(3) in subsection (b)(3)—

(A) by striking out "(A) Except as provided in subparagraph (B), not" and inserting in lieu thereof "Not"; and

(B) by striking out "$10,000" and "$12,000" and inserting in lieu thereof "$12,000" and "$14,000", respectively;

(4) in subsection (e)(1), by striking out the first sentence and inserting in lieu thereof the following: "Expenditures for the rental of family housing in foreign countries (including the costs of utilities, maintenance, and operation) may not exceed $20,000 per unit per annum as adjusted to account for inflation and foreign currency fluctuation from October 1, 1987."; and

(5) in subsection (e)(2), by striking out "38,000" and inserting in lieu thereof "53,419".

SEC. 3104. VOLUNTEER SERVICES

Section 1588(a) of title 10, United States Code, is amended by striking out "museum" and inserting in lieu thereof "museum, natural resources program,".

SEC. 3105. LONG TERM FACILITIES CONTRACTS

Section 2809(c) of title 10, United States Code, is amended by striking out "September 30, 1989" and inserting in lieu thereof "September 30, 1991".

SEC. 3106. IMPROVEMENTS TO FAMILY HOUSING UNITS

Section 2825(b)(1) of title 10, United States Code, is amended by adding at the end thereof the following: "This limitation shall not apply to improvement for three military family housing units for each military department per year if such improvements are necessary to accommodate the needs of the handicapped and the cost for such improvements does not exceed $100,000 per unit.".

SEC. 3107. OPERATION AND CONTROL OF THE PENTAGON RESERVATION

(a) IN GENERAL.—Chapter 159 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2693. Operation and control of the Pentagon Reservation

"(a) Notwithstanding any other provision of law, including the First Supplemental National Defense Appropriation Act, 1942, Reorganization Plan No. 18, 1950, the Federal Property and Administrative Services Act of 1949, and section 2682 of title 10, United States Code, jurisdiction, custody, and control over, and the responsibility to operate and maintain the Pentagon office building and the remainder of the Pentagon Reservation (hereafter in this section referred to as the 'Pentagon Reservation'), is hereby transferred, without cost, to the Secretary of Defense.

"(b) The Secretary may appoint military or civilian personnel or contract employees to perform law enforcement and security functions for property occupied, or under the jurisdiction, custody, and control of the Department of Defense located in the National Capital Region. Such individuals—

"(1) may be armed with appropriate firearms required for personal safety and for the proper execution of their duties, whether on Department of Defense property or in travel status; and

"(2) shall have the same powers as sheriffs and constables to enforce the laws, rules, or regulations enacted for the protection of persons and property.

"(c) The Secretary may promulgate such rules and regulations that the Secretary deems appropriate to ensure the safe, efficient, and secure operation of the Pentagon Reservation, including parking and traffic rules. Whoever violates any rule or regulation promulgated pursuant to this section shall be fined not more than $50 or imprisoned not more than 30 days, or both.

"(d) For purposes of this section, the term 'Pentagon Reservation' includes the Pentagon Office Building, Federal Building Number 2, the Pentagon Heating and Sewage Treatment Plants, various parking lots (including North, South, Mall, River, Eads and Hays Streets, and 'Old Barracks K'), and all land and improvements thereon consisting of approximately 420 acres, excluding the Lagoon.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2693. Operation and control of the Pentagon Reservation.".

(c) The transfer of jurisdiction, custody, and control over, and the responsibility to operate and maintain the Pentagon Reservation effected by this section shall take affect on October 1, 1989.

SEC. 3108. DESIGN OF PENTAGON ANNEX

Section 2725 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661) is hereby repealed.

SEC. 3109. CONSTRUCTION THROUGH NATO GOVERNMENTS

Section 2343 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) Sections 2207 and 2306(b) of this title and section 3741 of the Revised Statutes (41 U.S.C. 22) shall not apply to the acquisition of military construction projects or family housing projects obtained through governments of North Atlantic Treaty Organization subsidiary bodies for elements of the armed forces deployed in Europe and adjacent waters.".

SEC. 3110. DOMESTIC BUILD-TO-LEASE PROGRAM

Section 2828(g) of title 10, United States Code, is amended—

(1) by adding at the end of paragraph (8) the following new subparagraph:

"(D) In addition to the contracts authorized by paragraph (7) and subparagraphs (A), (B), and (C) of this paragraph—

"(i) the Secretary of the Navy may enter into one or more contracts under this subsection for not more than a total of 2,000 family housing units; and "(ii) the Secretary of the Air Force may enter into one or more contracts under this subsection for not more than a total of 1,500 family housing units."; and

(2) in paragraph (9), by striking out "September 30, 1989" and inserting in lieu thereof "September 30, 1991".

SEC. 3111. HOMEOWNERS ASSISTANCE PROGRAM

Section 2832 of title 10, United States Code, is amended—

(1) by striking out "The" and inserting in lieu thereof "(a) The"; and

(2) by adding at the end the following new subsection:

"(b) Following a determination by the Secretary that such action is necessary, and notwithstanding the limitations of section 1013(i) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374(i)), the Secretary may, from appropriations otherwise available for obligation by the Department of Defense, transfer to the Homeowners Assistance Fund, Defense, as established by section 1013(d) of such Act, such sums as the Secretary determines are necessary to extend homeowners assistance benefits to eligible homeowners.".

SEC. 3112. COOPERATIVE PARTNERSHIPS FOR LAND MANAGEMENT

Section 101 of the Act of September 15, 1960 (16 U.S.C. 650a) is amended by adding at the end the following new subsection:

"(f) The Secretary of Defense may enter into cooperative agreements with States, local governments, organizations, and individuals willing to match Federal funds or efforts to maintain and improve natural resources or to benefit natural and historic research on Department of Defense installations.".

SEC. 3113. TURN-KEY SELECTION PROCEDURES

Section 2862 of title 10, United States Code, is amended—

(1) by striking out subsection (a)(1) and inserting in lieu thereof the following:

"(a)(1) The Secretaries of the military departments or the heads of defense agencies may use one-step turn-key selection procedures for the purpose of entering into contracts for the construction of authorized military construction projects.";

(2) in subsection (b), by striking out "The Secretary of Defense, with respect to any defense agency, or the Secretary of a military department" and inserting in lieu thereof "The Secretary of a military department or the head of a defense agency", and

(3) in subsection (c), by striking out "1990" and inserting in lieu thereof "1991".

SEC. 3114. AUTHORIZED COST VARIATIONS

Section 2853 of title 10, United States Code, is amended to read as follows:

"§ 2853. Authorized cost variations

"(a) Except as provided in subsection (c) or (d), the cost authorized for a military construction project or for the construction, improvement, and acquisition of a military family housing project may be increased by not more than 25 percent of the amount appropriated for such project by the Congress or 200 percent of the minor construction project ceiling established pursuant to section 2805(a)(1) of this title, whichever is less, if the Secretary concerned determines that such an increase in cost is required for the sole purpose of meeting unusual variations in cost and that such variations in cost could not have reasonably been anticipated at the time the project was approved originally by the Congress.

"(b) Except as provided in subsection (c), the scope of work for a military construction project or for the construction, improvement, and acquisition of a military family housing project may be reduced by not more than 25 percent from the amount approved by the Congress.

"(c) The limitations on cost increases in subsection (a) and the limitations on scope reductions in subsection (b), do not apply if the increase in cost or reduction in scope is approved by the Secretary concerned and 21 days have elapsed from the date of submission by the Secretary concerned to the appropriate committees of the Congress of a written notification of the rationale for the proposed increase in cost or reduction in scope.

"(d) The limitations on cost increases in subsection (a) do not apply to within scope modifications to existing contracts or to the settlement of contractor claims under existing contracts if the increase in cost is approved by the Secretary concerned and a written notification of the facts relating to the proposed increase in cost is submitted by the Secretary concerned to the appropriate committees of the Congress.".

SEC. 3115. DEVELOPMENT AND LEASE OF LAND ACT HENDERSON HALL, ARLINGTON, VIRGINIA

(a) In General.—The Secretary of the Navy may—

(1) design and construct a multipurpose facility of approximately 62,000 square feet to be located at Henderson Hall, Arlington, Virginia;

(2) accept from the Navy Mutual Aid Association reimbursement for all costs for the design, construction, supervision, inspection, and overhead of such facility and credit such funds to the Navy Military Construction Appropriation Account; and

2 ~~(3)~~ lease, at no cost, to the Navy Mutual Aid Association approximately one-third of the square footage of the facility to be constructed.

(b) TERMS OF LEASE.—The lease entered into under subsection (a) shall—

(1) be for a term of 50 years;

(2) be in full consideration for the funds ~~accepted~~ provided ~~by~~ to the Secretary pursuant to subsection (a);

(3) provide that in the event the lease is canceled by the Secretary before expiration, the Secretary shall, as determined by the Secretary, provide comparable alternative space or, subject to the availability of funds, reimburse the Navy Mutual Aid Association for the unamortized cost of the building; and

(4) allow, at the discretion of the Secretary, for the Navy Mutual Aid Association to continue to use the space after the initial 50-year term, in compliance with laws and regulations applicable at that time.

(c) CONDITIONS.—(1) Title to the facility described in subsection (a)(1) shall be and remain in the United States.

(2) All construction authorized under this section shall be awarded through competitive procedures.

(3) Any lease or other agreement entered into under the authority of this section shall be subject to such terms and conditions as the Secretary determines appropriate to protect the interests of the United States.

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FISCAL YEAR 1990-1991 MILITARY CONSTRUCTION OVERVIEW

House of Representatives,
Committee on Armed Services,
Military Installations and
Facilities Subcommittee,
Washington, DC, Tuesday, March 7, 1989.

The subcommittee met, pursuant to call, at 9:40 a.m., in room 2216, Rayburn House Office Building, Hon. Patricia Schroeder (chairwoman of the subcommittee) presiding.

OPENING STATEMENT OF HON. PATRICIA SCHROEDER, A REPRESENTATIVE FROM COLORADO, CHAIRWOMAN, MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

Mrs. Schroeder. Let us call the hearing to order this morning as we begin our series of six hearings on the military construction for the next 2 years.

The first question, I guess, is "Why are we holding them now?" All we have at this moment is the Reagan budget. The overall level of defense spending in the Bush budget is less than the amount that was in the Reagan budget. That's troubling for this committee because for the first time in many years there has been a very significant cut in military construction, and so our real question is "What will happen in the Bush budget? Will we be cut further?"

As you know, because we're talking to such erudite people down there who know this, I think most Americans would be surprised that the military construction budget inside the U.S., without inflation, has been cut 18 percent in the Reagan budget, and increased 13 percent outside the U.S. But there's been an overall lesser amount than there was before.

So we're very interested in what the trend lines are going to be and what's probably going to happen in the Bush budget and what's going to happen in many other such things. So that's kind of the general framework that we're going to be looking at. The reason we're doing it now rather than waiting until we have it all down in black and white is just because of the time and our own budget process we have to get moving.

So we appreciate everyone being here this morning to start us down this long path of explaining what it is we should be doing.

PREPARED STATEMENT OF HON. PATRICIA SCHROEDER

This morning we begin a series of six hearings on the military construction budget for the next two years.

The first question which arises is "Why are we holding these hearings now?" All we have in front of us is the Reagan budget. The overall level of defense spending in the Bush budget is less than the amount of defense spending in the Reagan budget. Therefore, if the Bush budget ever arrives, I suspect it will eliminate some of the military construction projects we are considering today.

We are moving ahead with the hearings because, if Congress is to complete its authorizations and appropriations by the beginning of the fiscal year, we have to get to work now. We can only hope that we do not spend too much time discussing projects which subsequently disappear.

We will hear from our witnesses today about the importance of military construction for readiness and morale. Unfortunately, the budgets being presented do not reflect the same philosophy. In the Reagan budget, military construction is cut over 8% between this year and next. The Bush budget is likely to reduce military construction even further.

The value of our defense installations is well over a half a trillion dollars. The amount we spend each year to maintain, improve, and renovate those facilities is, as a percentage of value, far, far less than a prudent private company would spend on its factories or a prudent family would spend on its house. I believe we must start better protecting our investments.

Mrs. SCHROEDER. Our first witness this morning is Robert Stone, who is the Deputy Assistant Secretary of Installations at the Department of Defense, and obviously no stranger to this committee. We welcome you, Mr. Stone.

Let me turn it over to the Ranking Minority Member and see if he has anything to add and we will start off.

STATEMENT OF HON. DAVID O'B. MARTIN, A REPRESENTATIVE FROM NEW YORK, RANKING MINORITY MEMBER, MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

Mr. MARTIN. Just briefly, and a personal note, Madam Chairlady, I think this is a total waste of resources. This weather we have today is more appropriate to northern New York where we can better utilize it. I would hope that the people who call this home and those to the south of us would do everything they could to shepherd this weather up to the Canadian border, where we need not only the snow but we need the moisture very badly.

This is my fourth go-around as a member of the Military Construction Subcommittee. Each and every year when the cuts have been assessed in the last three Congresses, it has been my feeling and the feeling of the former chairman, Mr. Dellums, that when we are dealing with quality of life issues and some of the other aspects of the budget round off to numbers that equal our entire budget for a service, that we have taken very drastic cuts.

We also appreciate that these cuts are cumulative because you still have barracks without the latrines in them; you still have some of the horror shows where some of our people and their families are living.

So as we look at this budget proposal submitted by former President Reagan, we kind of wonder what the budget is going to look like when it's scrubbed and sent up by the Bush administration. But these cuts are very deep and every time we cut one of these projects we have to keep in mind that more often than not we are cutting the quality of life of our people in the Armed Services.

I note particularly the Army this year, perhaps the other services this year and in future years, are having a problem recruiting, and everything we do in the quality of life reflects on retention and recruitment. We are going to have a real challenge this year.

I appreciate the chairlady bringing out the situation of the Reagan budget as the cuts being made here in the Continental United States and asking for an increase overseas. While traveling overseas, I found that there's been a suspicion on the part of the uniformed services that sometimes we have cut there and we've had to make difficult cuts and cut overseas—out of sight, out of mind and that kind of thing—and built here in the Continental United States. The fact is that perhaps has been done but we have also cut substantially here in the Continental United States.

With that, I yield back and look forward to hearing Mr. Stone's testimony and the rest of the members of the panel. I have missed you, brother Stone. I haven't seen you in a whole week. I know you like coming up here and maybe we can arrange so you can do it 5 days a week—I know that would make your day.

Thank you.

Mrs. SCHROEDER. Thank you. Mr. Stone, the floor is yours.

STATEMENT OF ROBERT A. STONE, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (PRODUCTION AND LOGISTICS)

Mr. STONE. Thank you, Madam Chairwoman, and members of the subcommittee.

It really is a pleasure to come over here and tell you about our need for the facilities necessary to defend our Nation. I would be happy to come over here 5 days a week if I could get people to hear that story 5 days a week.

You have my written statement and I would just like to summarize it for you.

Our current request, as the Chairwoman noted, is based on President Reagan's budget for fiscal 1990 and 1991. There will be a Bush administration amendment so the numbers I'm talking about will change. For now, our 1990 request is for $8.6 billion. In real terms that's 8.8 percent less than the appropriation for last year.

This shrinkage is in part the result of a sharply constrained defense budget as well as competing high priority new weapon systems and must pay expenses. About 36 percent of our request is for construction to support new weapon systems; 25 percent is for the replacement or modernization of those facilities that support existing weapon systems; and 39 percent is for family housing.

Our 1991 request is for $9.6 billion; and I might say, in addition we're asking for $500 million in each year to fund our base closure account.

I have a chart that I'd like to describe to you, and by way of introduction, I hope that you saw "60 Minutes" 2 weeks ago. They had a piece on New York City and on the decay of the infrastructure in New York City. They showed really quite shocking pictures of the main highways up the East Side and West Side of Manhattan, both of which had collapsed because of neglect over the years.

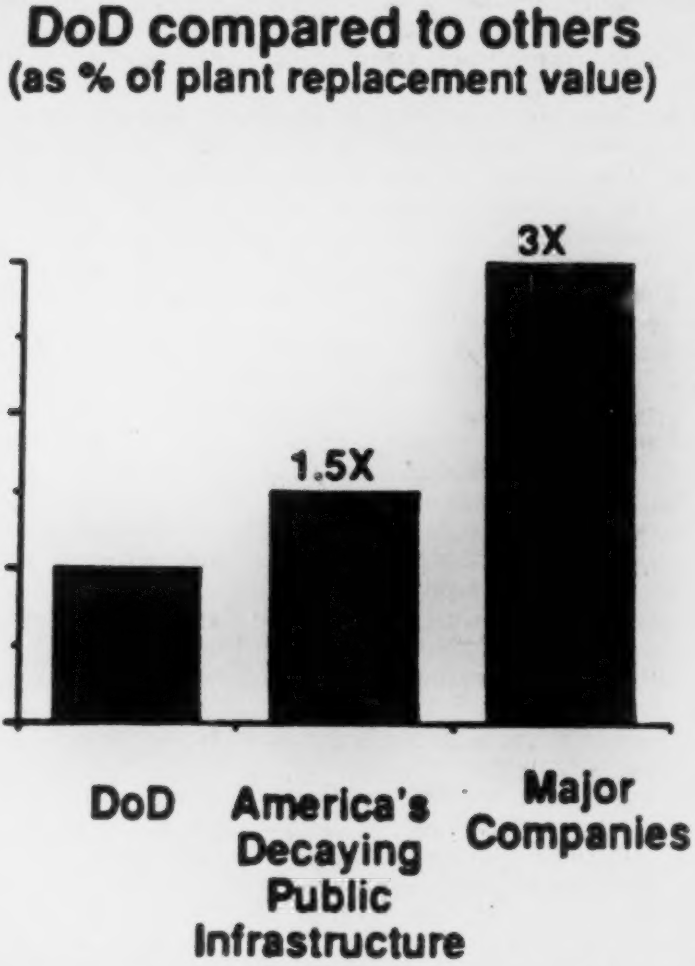
They showed a picture of a bridge—and I don't remember what bridge it was—but it was resting on reinforced concrete piers. On one of the piers there was a section perhaps a foot high, where the concrete was gone completely. The reinforcing bars were there and, of course, the bridge is unusable.

They followed that up with a segment showing the water supply under New York City, and the big conduits that had been built in the latter part of the last century—and had not had sufficient work done on them—that are in danger of collapse. New York City, for one, faces a potential catastrophe of loss of their water supply.

The narrator went on to say that this was not an uncommon situation in America's Federal, State and local government infrastructure.

Congress was so concerned about this problem about 4 years ago that they established a National Commission to study the problem. The National Commission reported out about a year ago and said that we were spending much less than we should to preserve the functions of our transportation systems, our water supply systems, and our waste disposal systems.

That prompted some of us in the Department of Defense to see how we match up against America's decaying infrastructure; how does our investment in facilities compare with what America's Federal, State and local governments are doing, and the numbers are on the chart.



DoD compared to others
(as % of plant replacement value)

Mr. Stone. What we did was compare our spending as a percent of plant replacement value with what is being spent in America's infrastructure and also with the spending of 10 major corporations.

The bar on the left, the orange bar, is labeled "DOD" and we are spending, by the way, a total of approximately 3 percent of our plant replacement value on construction and on repair and maintenance.

The reason that these were added together in the infrastructure study is they are also considered in one thought by major corporations. So we compared our spending—construction and real property maintenance, from all sources: money appropriated by the Congress, money spent by the soldiers, sailors, and airmen's funds, money contributed by the Japanese Government and by the NATO infrastructure system. When you add all these up you get a number of just under 3 percent.

America's decaying public infrastructure is being replenished at an annual rate of 4½ percent; that is, it's being replenished at a rate 50 percent greater than the Defense Department.

America's leading major companies who have a strong profit motive are replenishing their physical plant at about 9 percent a year—three times the rate that the Defense Department is doing it.

I have discussed this problem with my boss, Jack Katzen, and he has briefed the Armed Forces Policy Council, which is the top Council at the Defense Department, with the Joint Chiefs of Staff, and the Secretaries of the military departments, along with the Secretary, Deputy Secretary, Assistant Secretaries and under secretaries of Defense. He sent me around to take this story to our major unified commanders.

I have discussed this chart and its implications with the Commander-in-Chief of the United States Pacific Command, European Command, Space Command, Strategic Air Command, Forces Command, and several other of our service commands. They are almost unanimous—not unanimous, but almost unanimous—in the thought that as an institution, over the long run, we have to change this situation. We have to push the allocation of defense resources more into facilities, even at the cost of fewer people and procurement of fewer weapon systems.

Mrs. SCHROEDER. But then why did they cut it this year? I mean, big time cuts after all of that. It's astounding.

Mr. STONE. That is a complicated question, Madam Chairwoman, and part of the answer, I think, is my colleagues and I have not been as effective a voice in the Pentagon resource allocation process as we should have.

The Navy, for one, made an effort to make a big change this year. Even with a tight budget, the Navy tried to make a big increase in construction. With the press of priorities in the Pentagon, they just didn't survive the budget process. We've been doing this for a long time, and it's going to take us a long time to correct the situation.

My only cause for optimism is that there are a growing number of people in the defense establishment, including our top military leaders, who are committed to turning this situation around. We are working hard in the Pentagon to turn it around, and part of it is making that case on Capitol Hill.

A couple of the commanders-in-chief told me—in fact, one of them told me very bluntly, "I would be willing to give up 3 percent of my personnel budget and 3 percent of the procurement that supports me, because that's what it would take to fund a 50 percent increase in facilities."

He said, "I would be willing to give that up, but if we put in a budget like that, the increase, half of it would be cut in OSD and half of it would be cut in the Congress. So you've got to take the case around the Office of the Secretary of Defense and around the Congress about the importance of facilities investment."

We've done a large part of this to ourselves, but that's the reason I think it's important that you and the Congress understand this.

Mr. MARTIN. Mr. Stone, at that point I initially had a problem with the map on page 4 and 5 where you talk about 2.8 percent investment rate which actually my map worked out to .4 percent until you mentioned that you are including the RPMA to get up to that figure of 2.8 percent.

Am I reading this chart accurately as far as everybody's submissions are concerned, that you have 14 percent requested cut Army; Navy, 20 percent; Air Force, up 17; agencies, up 6, for a net of minus 5, to which, if we're all going to play by the same rules, that you have to add the rate of inflation to that minus 5 percent figure; is that correct?

Mr. STONE. That sounds right to me, Mr. Martin. I don't have the table, but the numbers sound about right.

Mr. MARTIN. It's kind of a busy schedule. If you just look at the bottom line the percent changes for each of the services and over in the lower right-hand corner it speaks to a minus 5 percent. You would reasonably have to add the rate of inflation to that, too, wouldn't you, to come up with an understandable figure that it's something in the order of an 8 percent cut that's being requested?

Mr. STONE. Yes, that does work out to an 8 percent cut.

Mr. MARTIN. I just wanted to make sure I understood it.

Thank you, Madam Chairwoman.

Mr. STONE. Mr. Martin described people living and working in bad conditions. We have people working in conditions we are not proud of. Beyond that, we want to provide top quality work places and living places for all our people; partly because it's the right thing to do and partly because it's the most productive thing to do. That's why AT&T, Du Pont, IBM, Pepsi-Cola, Southern Railway and other major corporations do it. It's good business to provide good work places and to take care of our people.

Madam Chairwoman, one of the other things I would like to mention in my summary and then I'll stop, is private investment in facilities on defense installations.

One of the ways we can minimize the impact of our facility needs on the defense budget is to get more and more private sector investment in military facilities. We have gotten authority to pursue some private sector initiatives. We've made some progress. We haven't done nearly as well as we should have, but we're continuing to look for new ways to increase private sector investments.

Our military installations offer lots of opportunities for good business ventures. These ventures can provide needed services to our people while offering a good rate of return to investors. We have the customers and the location to make many ventures successful.

Private enterprise has always been permitted on our military installations to a limited extent, that in the past years the Congress has given us more authority and we are going to try and do more of this.

We already have thousands of leased family housing units, about a billion dollars in energy plants, dozens of fast food restaurants, and some other housing built by the developers on military bases that are serving our people without any Government money being involved.

In conclusion, Madam Chairwoman, we solicit your support for our requested investment. The payback in this investment will be in people—their attitude, their productivity, and their pride.

That concludes my summary, Madam Chairwoman.

Prepared Statement of Robert A. Stone

Madam Chairwoman and members of the Committee.

INTRODUCTION

It is a pleasure for me to be here today to present our military construction request for fiscal years 1990 and 1991, and to discuss why we need to invest in defense facilities. I look forward to working with you because only together can we provide the facilities necessary to support the defense of our nation.

FACILITY INVESTMENT

Facility investment is critical to the success of national security. In order to achieve maximum combat capability, we need the right kinds of working and living places to get and keep the best people, and get them to give us their best efforts. Building new facilities and revitalizing our existing ones will enable us to support the people who operate weapons systems and accomplish military missions. An investment in facilities is an investment in our Defense people; an investment that will be repaid in the form of improved pride, performance, and combat readiness.

We don't propose investing in military facilities just so we have a lot of modern, good looking bases. The value of excellent military facilities is well known to our military commanders, who say they are the key to increased combat capability.

FACILITY BUDGETS

The military construction budget is based on an assessment of the perceived threat to our national security, and on a determination of the facilities required to deploy and maintain weapon systems, train our forces, and take care of our people and their dependents. Added to these requirements are projects needed to protect our existing plant account and keep it operating for its intended purposes.

The current military construction request for fiscal year 1990 totals $8.6 billion. In real terms, the fiscal year 1990 budget is 8 percent less than military construction appropriations for fiscal year 1989. This negative growth is in part the result of a constrained defense budget, as well as competing high priority new weapons systems and "must pay" expenses. About 36 percent is for construction to support new weapon systems; 39 percent is for family housing; and 25 percent is for the replacement or modernization of those facilities that support existing missions or weapon systems.

The fiscal year 1991 military construction budget totals $9.6 billion.

For you to better understand why we need to invest in military facilities, and to lend support to the military construction budget you have for consideration, I would like to concentrate on three main points: (1) the size and diversity of our current base structure; (2) the relative lack of investment in military facilities when compared to similar infrastructure investments by other public sector entities, including state and local governments, and by major U.S. corporations; and (3) the payback from investment in military facilities in terms of increased personal pride and professionalism, and thus productivity and defense capability. I also would like to explain how we are meeting some of our requirements through private sector investments.

MILITARY BASE STRUCTURE

The Department of Defense manages a base structure dispersed to all fifty states, six U.S. territories or possessions, and 21 foreign countries. It encompasses about 42 thousand square miles, roughly the size of Tennessee, and includes over 1200 major bases, most operating very much like cities with their own housing; transportation systems and traffic problems; police and fire departments; utility systems; commercial and industrial areas; communication networks; waste handling systems; and medical, school, religious and recreation facilities. The Department also manages another 4,300 smaller bases and properties.

Our defense facilities include about 435,000 buildings, as well as countless runways, streets, training ranges, hangars, and maintenance shops. The replacement value of that plant account, excluding land, is expected to reach $580 billion by the end of fiscal year 1990. I could go on describing the magnitude of the Department's base structure, but the point is that our plant account is extremely large and diverse.

To help you appreciate the urgency for continued investment in defense facilities, I should point out that the Military Departments classify one out of every five buildings as "temporary" and about 30 percent as substandard. About 60 percent of our facilities are over 30 years old; the average age being 35 years.

DOD FACILITY INVESTMENT COMPARED TO INVESTMENT BY OTHER PUBLIC ENTITIES AND MAJOR CORPORATIONS

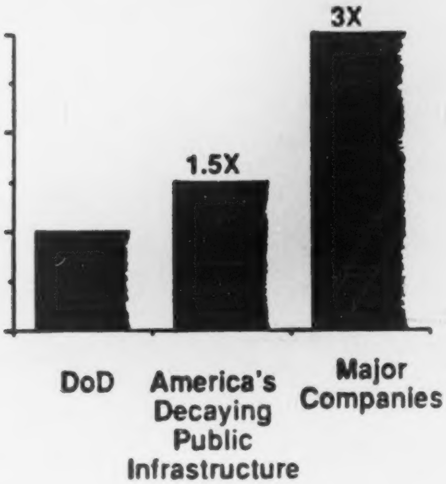
Our military bases are like cities. Over the past year, we have studied how other public sector organizations and the private sector invest in their facilities. Public facilities were thought to be in such terrible shape that an independent commission was established by the Public Works Improvement Act of 1984 to study the situation. In February 1988, the National Council on Public Works Improvement reported to President Reagan and the Congress on the state of this country's infrastructure, including waste handling, transportation and water supply systems. After two years of study, the Council "found convincing evidence that the quality of America's infrastructure is barely adequate to fulfill current requirements." The Council, after stating our public facilities were decaying, recommended doubling the investment rate.

We found that public sector facilities are being replenished at a rate 50 percent higher than those of the Department of Defense.

We also conducted an in-depth review of the way the private sector invests in their facilities. We found that major companies, such as IBM, Marriott, 3M, and Mobil, invest in facilities to get and keep the best people, to get the best from their people, and to improve the accomplishment of their work. These major companies recognize excellent facilities contribute significantly to their attaining and keeping a comparative advantage over its competitors. We want the same for our military. We must invest in facilities that support our military people. Excellent facilities produce increased combat capability.

We found that private sector facilities are replenished at a rate 3 times higher than those of the Department of Defense.

For fiscal year 1990, the Department of Defense proposes total facilities investment at a rate that is roughly 2.8 percent of our plant replacement value, vice 4.5 percent for the rest of the public sector and 9 percent for private corporations. I've discussed the need for investing in military facilities with most unified and specified commanders. They agree we must provide the working and living environment so that we can get our very best people to reenlist.



DoD compared to others
(as % of plant replacement value)

PAYBACK FROM INVESTMENT

There are numerous examples of how new or improved facilities "payback" the cost of the investment. An investment in facilities is an investment in people, and by giving people the proper facilities will add to their personal pride and professionalism, and we will get better mission capability.

But, we don't have enough or the right kinds of facilities.

- One Marine Corps headquarters is spread among 27 separate buildings.

- We have at least 50,000 soldiers who must routinely maintain their equipment in the mud.
- There are places where supplies must be handled in 60 year-old warehouses, which are not able to be equipped with the latest in material handling equipment.
- We have a million office workers who are not fully productive because they have to use over-crowded, inefficient areas.
- Many of our military trainees live and learn in ramshackle buildings.

Eliminating obsolete facilities can save money. Worn out buildings can have considerable costs in terms of high maintenance and utility bills. But they pale in comparison to the lost productivity of the people who work in them. Our military people are important to the defense of our nation, and we want them to believe it too. So we must give them the facilities they need to do their jobs right. With good facilities, our people will want to do their best job, they will do so with far more enthusiasm and pride, and our investment in facilities will begin to payback immediately.

A modern maintenance shop will reduce the "downtime" on a tank or airplane, and keep the weapon operating and available for training or deployment at a fraction of the cost of buying additional weapons. In addition, a weapon maintained in a modern maintenance shop will outperform and out-last a weapon maintained in the mud.

The military leaders of the U.S. Army in Europe have shown that the primary return on upgrading training areas is higher weapon qualification scores attained by units who have trained on the upgraded ranges. At one new range, our tank gunners increased the number of first round hits by 16 percent and reduced the time it takes them to open fire on a new target by 30 percent. This is a tangible improvement to defense capability.

PRIVATE SECTOR INVESTMENT IN DEFENSE FACILITIES

One of the ways we can minimize the impact of our facility needs on the Defense budget is to increase the amount of private sector investment in military facilities. You've given us authority to pursue private sector initiatives, and while we have made some progress we haven't done nearly as well as I would have expected. However, we are continuing to look for new ways to increase private sector investments. Unfortunately, it is taking several years to get the private sector to provide our people with the first child development center and office building under the authority of 10 U.S.C. 2809.

Just like other American communities, our military installations offer lots of opportunities for good business ventures. These ventures can provide needed services to our people while offering a good rate of return to the investor. We have the customers and the locations to make many ventures successful.

Private sector investments often can provide services more efficiently than we can. While you have always permitted a certain amount of private enterprise on our installations, in the past few years you have given us some additional authority, including those related to the construction and operation of family housing, temporary lodging facilities, and child care centers. As a result, we have been able to avoid spending money for some capital investment, we have saved operating costs, and we have improved service to our people.

To date, we have done remarkably well. We have thousands of leased family housing units, about a billion dollars in energy plants, dozens of fast food restaurants and a few no cost projects such as the manufactured housing at Fort Ord, California.

We need to renovate a large part of our family housing inventory, we need more new housing, we need to upgrade many of our utility plants, and we foresee a great opportunity to acquire cheap electricity and central heat as a by-product of waste incinerators.

SUMMARY

Our fiscal year 1990 and 1991 budgets for facility investments, if approved by the Congress, will continue to modernize our physical plant and improve the working and living conditions for our people. We can't afford not to invest. Obsolete facilities are expensive because they cost us productivity, quality and pride -- which translates into reduced mission capability.

The payback for an investment in facilities is in people; their attitude, their productivity, and their pride.

Thank you Madam Chairwoman.

Mrs. **Schroeder**. Thank you very much; we really appreciate your being here. I understand your frustration because we're frustrated, too.

Where does this plea get stopped in the Defense Department? I mean, where do you get rolled?

Mr. **Stone**. I'll get in trouble if I say we get rolled at the highest level. But the final budget decisions are made in the Office of the Secretary of Defense by top Defense leadership.

I might say that we get a chance to make our voices heard. In addition, there are other very pressing defense needs. I don't want to come here or anywhere and say we ought to stop buying modern, effective, safe weapon systems for people so that we can spend the money on facilities; but that is a choice that our leaders have to make.

Mrs. **Schroeder**. One of the things we have trouble in this committee understanding, or at least the Chairwoman does, is the prefinanced NATO eligible projects. Could you give us a list of such projects in the 1990 and 1991 budgets?

Mr. **Stone**. I'll be glad to.

I believe that all we have in the 1990 and 1991 budget is $18.8 million for the Air Force weapons storage vault system. Pre-financing simply means that we pay for something that is eligible for funding by NATO infrastructure with the expectation that the NATO infrastructure fund will reimburse us in the future.

Mrs. **Schroeder**. Does that usually happen?

[The following information was received for the record:]

The Air Force is requesting $9.1 million in fiscal year 1990 to prefinance three Weapons Storage and Security System projects:

Base	($000)
Aviano Air Base, Italy	1,300
RAF Bentwaters, U.K	2,450
RAF Upper Heyford, U.K	5,350
Total fiscal year 1990	9,100

The total fiscal year 1991 budget includes the following projects:

Base	($000)
Ghedi, Italy	550
Rimini, Italy	510
Incirlik, Turkey	3,700
RAF Lakenheath, U.K	4,950
Total fiscal year 1991	9,710

The fiscal year 1990–1991 budget also includes projects that are partially eligible for NATO Infrastructure funding.

Contingency Medical Facilities. Recently, NATO determined that some portion of U.S. contingency medical facilities could be supported as eligible for infrastructure funding. The degree of support varies from project to project as each of the services' requirements are tailored to assigned mission and geographical location. Second echelon medical logistics storage for the Army will probably garner a significant share of NATO funds while the Air Force concept will require a larger share of U.S. funding. In almost all cases some conjunctive funding will be required. Normally, medical facilities are not NATO eligible and have to be funded nationally. However, NATO support for this program is based on requirements for U.S. reinforcement forces. The planning for contingency medical facilities in Europe and the estimated availability of host nation medical support.

The following projects are included in the fiscal year 1990 budget:

Base	($000)
Contingency hospital, Chessington, U.K.	12,200
Fleet hospital, Lanark, U.K.	15,000
Contingency hospital, Luxembourg	19,000
Second echelon medical storage, Spain	680
Total fiscal year 1990	46,880

The following projects are included in the fiscal year 1991 budget:

Base	($000)
Second echelon medical storage, Aviano, Italy	1,300
Fleet hospital, Sigonella, Sicily	11,800
Fleet hospital, RAF Arbroath, U.K.	12,800
Fleet hospital, RAF Locking, U.K.	14,000
Total fiscal year 1991	39,900

Combat Helicopter Facilities. NATO is currently considering the degree of support for facilities for combat helicopters including the Army's AH-64 Apache. While two U.S. projects in Germany have been partially funded with infrastructure funding, remaining requirements await a NATO decision. Only partial funding is anticipated for these facilities, or portion of a facility, that would be used during combat operations. The current concept of operations directs that the aircraft operate in forward areas in support of land combat forces until such time as forced to return to a permanent base for battle damage repair and/or recalibration of the advanced avionics systems. NATO support will be based on the estimated wartime use of the facilities, therefore, in all cases, U.S. conjunctive funding will be required for peacetime usage. Projects in support of the AH-64 are included only in the fiscal year 1990 budget.

Base	($000)
Hanau, Germany:	
Parking apron and refueling facilities	10,200
Parking apron	7,000
Mainz, Germany:	
Maintenance Hangar	13,000
Maintenance Hangar	15,000
Wuerzburg, Germany: Parking Apron	11,400
Total fiscal year 1990	56,600

Mr. Stone. Yes, it does. We used to do a lot of this in the late 1970s and early 1980s. Because of the skepticism of the Congress, 1984 was our last request until now—but we have had a very good record. All years, going back to the beginning of the NATO program in 1949 or 1950, we have pre-financed $667 million worth of eligible projects. We have actually collected $556 million. That is over 80 percent. We have a balance to be recouped of $100 million, of which $44 million has already been committed by NATO.

So a simple way of saying that is only 10 percent of all our prefinancing remains to be committed by NATO. So we think that we have a good record, that NATO has played fair with us, and that's why we put $19 million in this year's budget. We think we've got a record to be trusted here.

Mrs. SCHROEDER. As the dollar's gotten weaker over the past years, I have wondered how much of the military construction budget has increased because of this dollar devaluation, especially when we look at this year's figures and notice that we are increasing overseas and decreasing our request at home.

Is that driven by the dollar devaluation, and what additional causes it?

Mr. STONE. It kind of depends where you sit, Madam Chairwoman. I think it's driven by previous congressional cuts in overseas construction.

What we're asking for this year is our smallest request since about 1981. The reason it's bigger than last year is we had a big cut in our overseas request last year. It is our smallest request in almost 10 years. We had a big problem, I guess about 2 years ago, 2 or 3 years ago, when the dollar fell rather precipitously, and we ran into the hole overseas of over $800 million in currency losses in 1987 and 1988. We are estimating close to $600 million in 1989.

Now, unless the dollar turns around again, we will run a profit in our foreign currency account now because we are budgeting at a more pessimistic rate than actually exists. The dollar has been strong recently and unless the dollar turns around, we should not have a deficit in 1990.

Mrs. SCHROEDER. The foreign currency fluctuation account pretty well takes care of it then?

Mr. STONE. Yes, it does. It's not a happy situation for us, but it does allow us to move money from other parts of the budget to fund currency losses.

Mrs. SCHROEDER. As we talk about privatization, as you mentioned, are we really increasing the military construction budget or are we just going to transfer costs between that budget and the operation and maintenance budget?

Mr. STONE. Don't knock a transfer of costs. If you think that we ought to be spending more on facilities, then spending money from the operations and maintenance budget is not a bad thing. However, many of the private sector investments are—how do I say it?—they are just bonuses for us.

For example, at Fort Ord, California, a private developer leased some land from the Army. The Army leased some very valuable land to them for a dollar. Under the terms of the lease he built over 200 manufactured housing units. Actually, the developer calls them trailers, but they are the nicest trailers I have ever seen—three and four-bedroom houses—which he rents to soldiers. There's no Government money involved except that we pay quarters allowances to the soldiers.

The soldiers are coming out much better than they would be without it, and there's no Government money involved.

I might say, the Army has done the same thing at Fort Drum, New York, where they have leased some land to a developer to build transient lodging facilities, where people who travel to Fort Drum on business can stay. There's no Government money involved. Part of the terms of the lease is the billeting operation. The hotel operator, will rent rooms at concessionary rates to Army visitors.

Mrs. **Schroeder**. But your testimony also says that it's taken several years to get the private sector to provide people with child development centers.

Mr. **Stone**. Yes, ma'am.

Mrs. **Schroeder**. Why?

Mr. **Stone**. I think the problem is that it's a cultural problem for the Defense Department. It's one I'm——

Mrs. **Schroeder**. A cultural problem?

Mr. **Stone**. Yes. Here's the problem. We have always operated child care centers, a small number—well, it's a big number. It's around 500. We've operated them with Government employees to Government standards. What we need to do is allow responsible, regulated, private child care centers to build and operate child care centers to community standards.

Our Government child care experts are just learning to live with the process. We have just broken ground a couple of months ago for the first privately financed and operated child care center in the Department of Defense. It's on the Pentagon reservation. It's in the North parking lot of the Pentagon.

My office and the Navy are working with a couple of risk-taking commanders who are willing to stick their necks out and work with this. I am optimistic that in the next year we will get more starts.

It's a good deal for us to provide child care opportunities for our people.

Mrs. **Schroeder**. Congressman Martin.

Mr. **Martin**. Thank you, Madam Chairlady.

Mr. Stone, I can't predict what is going to happen in the other body on any given subject, much less the dance they're doing relative to the Secretary of Defense. But let's assume that we were to have a confirmation and have a Secretary of Defense in place, say, this week. How long would you project it would be before we would get the scrubbed resubmittal of this administration and the new Secretary of Defense?

Are we talking a matter of days, are we talking a matter of weeks, or are we talking a matter of months?

Mr. **Stone**. I wouldn't expect it to be a matter of months, Mr. Martin. I don't think it is waiting for confirmation of a new Secretary of Defense. Secretary Taft is acting, he has put out budget guidance to the military departments based on the guidance from President Bush. Military departments have made their submission to the Office of the Secretary of Defense as recently as last week.

I would guess that we are a week or two away from making a submission, but I'm not sure of that. I can check our schedule when we get back and call you if that will help.

Mr. **Martin**. That's a bit of good news because if we would have to wait until the middle of April, that's going to cause mindboggling problems for us up here.

We are in the process of having this hearing, and you understand that we don't have the figures and we know that you don't have the figures that are going to be ultimately submitted. While I think this is a very worthwhile hearing, because for the most part

I'm sure it will be similar—the priorities will be similar. But it is frustrating, the process, waiting this long.

Let me ask you, in the figures you use, particularly the 2.8, you use not only the Real Property Maintenance Account, but also included in there, I understand, are programs like JFIP?

Mr. STONE. Yes. We have included every bit of investment we could find, including the Japanese Facility Investment Program, the NATO program, our non-appropriated funds; even private sector investments are included there, because they replenish our physical plant in the same way that our own investments do.

Mr. MARTIN. That has grown substantially and while you don't read as much about the Facilities Improvement Act in Japan, that has given us the opportunity to invest our money in other areas of MilCon substantially.

I only wish that other host nations, as much as we sometimes bash the Japanese, that the American people could understand that we'd be in a lot better shape if every other host government was participating in a program like JFIP.

Mr. STONE. The JFIP program is a great benefit to us, Mr. Martin.

Mr. MARTIN. One other thing. We have understood that at long last a report of the Department of Defense concerning its plans in Panama between now and December 31, 1999, was completed a week ago.

When will we be able to review this report?

I say that because over the course of the last two Congresses, I have always been reluctant to invest much money because I'm a believer that the Panamanians are sincere when they say they don't want to see us there in 1999. I know we've had requests as late as 2 years ago—if my memory serves me correctly—of upwards of $60 million worth of MilCon that you'd have to amortize over at that time 11 years, and now you have to amortize it over 9 years. You also give them the opportunity, if there are going to be negotiations, to be negotiating with us, willing to lease us better facilities that we have built most recently. So I think that report would be very interesting.

Given the interest of the subcommittee, I would hope we would be able to review that report ASAP.

Would you like to comment on that?

Mr. STONE. The report is in the Pentagon now being checked. My expectation is that we'll have it over to you shortly, but I don't have a committed date on that, Mr. Martin.

Mr. MARTIN. Thank you, Madam Chairwoman.

Mrs. SCHROEDER. I just want to ask one question, the gentleman from New York triggered an interest.

He was complimenting Japan, but we noticed for 1990 there's $38 million in there for Japan, and for 1991 we've got an almost $29 million. What is that for? Because we've been told that they are picking up so much of that infrastructure cost.

Mr. STONE. I don't have the particular projects but I can get them for you.

But one thing about the Japanese Government, they are very reluctant to fund warfighting projects for us. They are energetic and willing to provide personnel support facilities like schools, hospitals, gymnasiums, child care centers and houses. But they don't want to provide weapon storage facilities and that sort of thing.

So that kind of direct warfighting project can only be funded by U.S. construction. The Japanese won't do it.

Mrs. **Schroeder**. But you could get that for us?

Mr. **Stone**. Be glad to.

[The following information was received for the record:]

MILITARY CONSTRUCTION PROJECTS IN JAPAN

Base	Project	($000)
Fiscal year 1990:		
Atsugi NAF	Maintenance hangar	14,900
Camp Butler MCB	Combined armed staff trainer fac	3,200
Futenma MCAS	Maintenance hangar addn	1,950
Futenma MCAS	Tactical support van pads	5,500
Kadena AB	ADAL flt simulator training fac	2,300
Kadena AB	Fire protection maintenance fac	2,000
Misawa AB	Protective construction	3,700
Yokota AB	Jet fuel storage	4,700
Total		38,250
Fiscal year 1991:		
Various locations	Ammunition storage	10,600
Various locations	Ammunition surveillance facility	2,500
Various locations	Indoor firing range	1,100
Various locations	Relocate field offices	2,900
Hanza NSGA	Fire protection system	1,000
Iwakuni MCAS	Convert warehouse and hangar	3,090
Iwakuni MCAS	Weapons assembly area	2,820
Kadena AB	Control tower cab	700
Kadena AB	Fire protection various facilities	1,250
Misawa AB	Protective construction	3,000
Total		28,960

Mrs. **Schroeder**. Congressman Ravenel.

Mr. **Ravenel**. Thank you, Madam Chairwoman.

Mr. Stone, I'm interested in your proposal for a contractor to build and operate child care centers. Are you going to have some kind of contractual arrangement to control the cost to the consumer?

Mr. **Stone**. Yes, we will, Mr. Ravenel. The law allows us to subsidize child care centers. In fact, the law gives us broad authority to subsidize to make the price to consumers whatever we want.

At the Pentagon reservation, which is the only one we have a contract on, our subsidy—the Government subsidy—will pay for the cost of the facility and the users of the child care center will pay for the cost of the staff and the operation.

I would anticipate that if we operated, say, on a——.

Mr. **Ravenel**. In other words, as contractor he will build the facility?

Mr. **Stone**. He will build it and he will operate it.

Mr. **Ravenel**. He will operate it?

Mr. **Stone**. Yes. We have a contract that calls for a rate of charges, so he can't change his charges except according to the contract. He can't get in there and then decide to raise his prices.

Mr. **Ravenel**. Are you aware that there's a great disparity in the military installations around the world in the cost of child care?

Mr. **Stone**. I sure am, Mr. Ravenel; not only the cost, but the availability.

Mr. **Ravenel**. Parris Island has the highest cost in the entire world—for a week it's $59, which is just substantially above what there is there in the private sector.

There's another subcommittee I'm on—the Personnel Subcommittee has been working on that.

Mr. Stone, I'm interested in your figures here—$272 million for facilities for the B-2 stealth bomber. Of course, the bomber has not yet flown. We hope it will fly. We hope we will have another B-1-type situation. Of course, I am unsure and I just don't know whether this country can afford another terribly, terribly expensive offensive weapon. Given the defensive/offensive capability we have with the ICBMs, the MX, the Midgetmans that we are building and going to be building, and all the defensive/offensive capability—the Trident submarines and what have you, you are talking about an expenditure in a broke country of somewhere between $75 and $100 billion for that B-2 stealth bomber program; you don't think you folks just better kind of wait and see what happens and how things develop here this year before we commit almost $300 million for the bomber facilities?

Mr. **Stone**. In general, Mr. Ravenel, what I would recommend is that Congress fund the facilities to support the weapon systems that it authorized. If Congress changes the B-2 bomber, then our needs for facilities would change. But it doesn't make sense to slow down the program that—I'll take your numbers, $100 billion—it wouldn't make sense to commit to spend that kind of money and then chisel away the few hundred million that we need in facilities to support the system that we've bought.

Mr. **Ravenel**. Would you like to comment on that?

General **Ahearn**. I would like to add something, sir. The budget request, that is in the 1990 program, sir, is paced to support the delivery of the first aircraft at Whiteman Air Force Base. The decisions to acquire that weapon system for that air base have been made, and what we are doing is pacing the delivery of construction to support the delivery of the aircraft schedule in the early 1990s.

Mr. **Ravenel**. How many do you feel are scheduled for delivery in the early 1990s? What you are talking about.

General **Ahearn**. I was talking about early on, I think there are two to be delivered.

Mr. **Ravenel**. Yes, just those two.

General **Ahearn**. Yes.

Mr. **Ravenel**. I see. These facilities, then, are just to accommodate those two; is that right?

General **Ahearn**. No, there's a delivery schedule, and the delivery schedule is being——

Mr. **Ravenel**. Deliberated.

General **Ahearn**. —deliberated, at this moment. We have sized the delivery schedule facilities to match the existing delivery schedule.

Mrs. **Schroeder**. Congressman Skelton.

Mr. SKELTON. Of course you know that the stealth B-2 bomber is coming to the heart of America, General; is that not correct?

General AHEARN. It is, indeed, it's coming into my home State, sir.

Mr. SKELTON. Great.

This is the third year for military construction request; is that not correct?

General AHEARN. It is indeed, sir.

Mr. SKELTON. Things are moving along well out there; is that not correct?

General AHEARN. Yes, indeed, sir.

Mr. SKELTON. There's a proposal for some 132 airplanes which would take, obviously, more than one base; is that not correct?

General AHEARN. Indeed.

Mr. SKELTON. Those studies still remain classified as I understand it.

General AHEARN. (Nodded affirmatively.)

Mr. SKELTON. We are moving ahead on the one base, which will receive the first wing.

Now, General, wouldn't it be awful if we had even the first bomber show up at Whiteman and there was no place to park it? Enough said.

Mr. Stone, the proposal or the study regarding Panama that we requested; is there some reason why it hasn't come on up?

I have one issue involved with that request, and when I was down there there was a great deal of attention paid to the housing for the young soldiers--and maybe Major General or if anybody would have some item on that—which would be in the nature of mobile or temporary type housing which—as they explained it to you and I can't recall the details—but would more than amortize itself out based upon what they're doing now and they are paying the local folks to keep them off base and, frankly, danger that's off base.

Can either one of you enlighten me on that before the report comes; today, for instance?

Mr. STONE. Mr. Skelton, the report is being prepared in another part of the Pentagon. I am just not familiar with the details of it.

As far as the housing situation that you're describing, it is rough on our people. We had a proposal a couple of years ago for portable housing that we thought would amortize itself before 1999.

Do you want to add anything to that?

General OFFRINGA. Yes, sir, I would add that, as you know, that's a very tough issue that we've been wrestling with for a long time. We tried to solve that with the temporary facilities and that was not, I understand, supported. Then we have looked at adjustment of tour lengths in an attempt to reduce the number of sponsored folks down in Panama. We have had some success in adjusting those but there's a balance, as you know——

Mr. SKELTON. But that doesn't solve your problem.

General OFFRINGA. No, sir. But it does reduce the number of people who go down there with their families.

Mr. SKELTON. I understand that.

General Offringa.

We have been attempting also to provide appropriate plans so that the people who live off-post can be brought on-post in the event of any kind of an emergency.

Mr. SKELTON. I understand that, too, but there is a need for these young soldiers and probably in some cases their family. There was quite a pitch made to me when I was down there regarding mobile type housing for them, which would more than pay for itself compared to what you're paying now.

I am wondering if that will be part of your report, do you have any idea?

General OFFRINGA. I'm not sure if that is included in the report, sir. I surely can find out for you.

PANAMA REPORT

The report on Panama provides DOD's plan for implementing the Panama Canal Treaty. It does not include an analysis of the mobile type housing issue but deals mainly with the mission functions of the command. Tour lengths have been reduced in Panama and as a result the requirement for additional housing has been lessened. Furthermore, due to the existing conditions in Panama, travel of military dependents is not permitted until on-post Government housing is available.

Mr. SKELTON. Thank you.

Mrs. SCHROEDER. Thank you.

The one thing that I forgot to ask when I had my turn was the question about the new base in Italy—Crotone, I believe it is. There's a whole list of things that usually we would not be funding. I understand we have to pay for them, though, with appropriated funds if it's a new base.

Is that correct? If so, why is the NATO infrastructure account not picking up more of that list?

Mr. STONE. Let me answer part of your question and warn General Ahearn that I'll ask him for some help, too.

NATO agreed to pay for the relocation of the 401st Tactical Fighter Wing out of——

Mrs. SCHROEDER. Spain, right?

Mr. STONE. Out of Torrejon, Spain. The 401st Fighter Wing is the major occupant of the Torrejon base. There are a couple of smaller activities there that support the Military Airlift Command and 16th Air Force. Given that the 401st is going to move, it doesn't make any economic sense for the United States to maintain the air base there for these smaller units.

Mrs. SCHROEDER. No, I understand that.

Mr. STONE. So we have to pay the bill for those.

Mrs. SCHROEDER. But there's all these recreation facilities being built with appropriated funds which usually aren't. Someone said that the reason is it's a new base.

Mr. STONE. We have a regulation in the Department that was worked out after several years of consultation with this committee and with some other committees, that says that—it's a complicated regulation but its essence is that recreation activities which charge money will be built with non-appropriated funds except where there's a new base or a greatly expanded base. The idea is, the airmen's funds have already paid for clubs here and there—at Torrejon. We think it's unfair to require the airmen to pay for their share of relocating the Wing.

Mrs. **Schroeder**. Then why doesn't that fall under the NATO, then? Do our Allies not consider that part of their agreement to move?

Mr. **Stone**. NATO has never funded such activities in the past.

Mrs. **Schroeder**. I see.

Mr. **Stone**. Their role in the 401st—maybe General Ahearn can help.

General **Ahearn**. I believe I can, Madam Chairwoman. In May of 1988, the NATO ministers met and agreed upon the funding for the building of the new base—Crotone. Our Secretary of Defense at the time conceded about $14 million of MWR facilities to be a U.S. burden. For the most part, the policies that we were speaking to were not applied during the negotiation.

The NATO infrastructure is financing all of the core facilities to relocate the 401st Tactical Fighter Wing.

Mrs. **Schroeder**. Congressman Martin?

Mr. **Martin**. Two questions. If you don't have the figures with you, Mr. Stone, today, you could submit them relative to what in U.S. dollars the JFIP program—how much money they are spending in support of troops.

We have discussed and questioned from the Chair as to how many dollars of MilCon are going to be invested in Japan. We would like to have those other figures as to how much the Japanese are in fact spending.

Mr. **Stone**. In 1988, Mr. Martin, which is the latest year we have data for, the Japanese funded $393 million through their Facilities Investment Program. In contrast, the military construction was $16 million.

Over the last 10 years, the Japanese Facilities Investment Program has funded 88 percent of all construction supporting American forces in Japan.

Mr. **Martin**. I think I just threw you a hanging curve ball and you hit it out of the park.

General Ahearn, relative to the questions directed to you by my colleague from Missouri in the bed-down of the B-2, I was with General Chain at Offutt 3 or 4 months ago, and talking about the question of the bed-down if indeed the projected purchase of 132 B-2's could stay on schedule, at the present time it is my understanding that the Air Force is casting about and doing studies as to the possible bed-down. I note that plugged into the budget are round numbers of $100 million or $130 million, or whatever, per base.

I certainly understand why you have to put those numbers in your planning stage. But, question one, isn't it true that you can't be very specific as to the cost until you determine what facilities are available that are compatible with the B-2 at the various bases under consideration?

Second, the concern I have relative to this heartland question. Whiteman was certainly a good selection from all I know, as far as bed-down of the 1st Squadron. But over the course of the last 4 or 5 years, as we have had Secretary Weinberger before us and Secretary Carlucci and the SAC commanders talking about the improbability of a stroke out of the blue that particularly to the rail garrison argument, that there's no need particularly to have all of those facilities in the central part of the country because (a) it cost you flying time and everything else, dispersal forces and whatever.

Do you have a problem with the arguments of the secretaries that the stroke out of the blue is an improbability? And is it your idea that the search for a bed-down for the B-2 ought to be only in the heartland contrary to that philosophy espoused by the previous two Secretaries of Defense?

General **Ahearn**. Mr. Martin, first let me address the issue of basing and cost and the budget profiles that have been spoken to.

Sir, we've done some preliminary surveying of our existing Strategic Air Command bases and have matched the facility requirements that our aircraft production people have laid out for us to the existing inventory. We've compared what we have and what is required in each of our bases from an initial survey basis. It is that comparison that is the base line from which we do our budget effort.

There's another level of detail, and we call that the planning and designed level of detail, we have not done that effort yet for the follow-on bases. Indeed, the follow-on base study is a closely held classified effort.

The second question, sir, about heartland and the position of where these systems should be based. I am not the authority. I am a builder, sir, and I am not a strategic air command authority on the basing of such weapon systems.

I do know that there has been a pattern of concern to give us time to survive any threat from the air or the sea; and that time usually comes from a geographical location and the heartland gives us the best time advantage. That's the logic and the mindset I believe that you've been hearing enunciated.

Mr. **Martin**. We could get into that further but my red light having come on, I would yield back to the Chairlady for perhaps a comment relative to base liberty from Mr. Stone.

Mrs. **Schroeder**. Congressman Ravenel.

Mr. **Ravenel**. Mr. Stone, you said that the Japanese were picking up about 88 percent of the tab for facilities.

What kind of figure do you have for the Germans?

Mr. **Stone**. Mr. Ravenel, there is no German equivalent to the Japanese Facility Investment Program. Germany contributes about the same amount as the United States to the NATO infrastructure program, and that's roughly $500 million a year. A great part of that serves American forces. The Germans also are providing other forms of host nation support; in particular they are providing troops who will provide support to American reinforcements.

So there's host nation support there but not construction.

Mr. **Ravenel**. I see that the only general category in this budget—the Reagan budget—indicates an increase would be for outside the United States. Am I correct there?

Mr. **Stone**. That's the only geographical increase, but different types of facilities increase from year to year. We're asking for less money outside the United States than we asked for last year, but we are asking for more than was appropriated last year.

Mr. **Ravenel**. The reason I asked that, some of us on Personnel were over there for a couple of weeks visiting NATO countries, right before Christmas. Everywhere we went we were shown deteriorating facilities, inadequate facilities. I can't remember an instance where folks that we spoke with said that: what we have is adequate, we don't need more. Everyone had their hand out. It was obvious to us that the infrastructure that you spoke of originally was decrepit and inadequate and in pretty bad shape. It was just obvious to me and I believe to my colleagues that there is no way—no way—that our country can meet all these needs out there.

I am just wondering in the day and time where I think more and more Americans feel that the tie for our overseas involvement is coming to a close, whether we ought to be spending the kind of sums of money that this budget is advocating outside the Continental United States—almost a billion dollars.

This is a general statement, not a question, if you would like to comment.

Mr. STONE. I certainly would like to make a general statement.

Mr. RAVENEL. You've been there and you've seen it.

Mr. STONE. I believe that it's perfectly proper that the Congress of the United States considers what our force levels should be overseas.

What I see is that we have people over there that we are not taking care of. They are our people and it makes me ashamed to visit some of those bases and see how young Americans are living and working.

Mr. RAVENEL. I had the same reaction.

Mr. STONE. It's our responsibility, they are our people. As long as we have them there, we need to take care of them.

Mr. RAVENEL. Good answer.

Thank you.

Mrs. SCHROEDER. Thank you.

Congressman Skelton?

Mr. SKELTON. I just want to know where General Ahearn is from in Missouri.

General AHEARN. St. Louis, sir.

Mr. SKELTON. Great.

Mrs. SCHROEDER. I think what we are going to do now, if this is all right, since we are a little ahead of schedule, which is remarkable for this committee, we will let you go back, Mr. Stone, thank you very much. Take your charts over and see if you can find the Secretary and convince him; you convinced us.

Meanwhile, what we will do is move on to our afternoon panel if that's OK. I hear we will need to take about a 5-minute break while they set up everything and get everything rearranged.

Thank you for being here, Mr. Stone.

We will take a 5-minute recess and reconvene.

Thank you.

Mr. STONE. Thank you.

[Brief recess.]

Mrs. SCHROEDER. We will reconvene and pretend it is now 1:30.

We welcome our panel this morning and appreciate you all being this flexible. We will put all of your statements in the record and maybe the best thing to do is just have each of you summarize and we will fire off.

Why don't we begin with the Department of the Army. General Offringa?

STATEMENT OF MAJ. GEN. PETER J. OFFRINGA, ASSISTANT CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

General OFFRINGA. Madam Chairwoman, what I would like to do is, as you suggested, to put my statement in the record, and just to show you some pictorials here of some figures and primarily some photos of some of the things that are included within our program.

ARMY MILITARY CONSTRUCTION FISCAL YEAR 1990–1991 BUDGET

FACILITIES STRATEGY

Maximize use of existing facilities; maintain what we own; meet regulatory/environmental requirements; contain maintenance & repair backlogs; revitalize substandard facilities; last choice: construct new facilities.

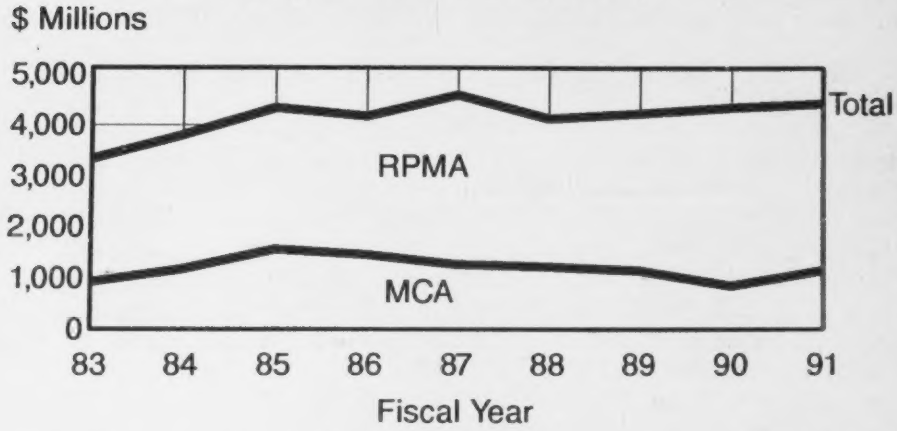
General OFFRINGA. I would like to lead off by showing you the strategy by which we put the program together, recognizing that in times of constrained resources the main objective should be to maintain those things that we have before we build anything new. The Army has put a considerable amount of its facilities resources into its Operations and Maintenance Account in order to make sure that those existing facilities are properly operated and maintained.

MILITARY CONSTRUCTION AUTHORIZATION OF APPROPRIATIONS SUMMARY

[In millions of dollars]

	Approved fiscal year 1989	Requested	
		Fiscal year 1990	Fiscal year 1991
MCA	969	892	1,183
AFH	1,527	1,469	1,654
HOA	2	5	5

As you will see in the figures within our submission that has resulted in a trade-off of investment into operations and maintenance, so our investment request is considerably lower than it has been in years past.



Facilities Trend

Real Property Maintenance Activities (RPMA)

Military Construction, Army (MCA)

If you look at that in terms of trends, one can see that the military construction program bottom line dips in 1990. Repair and maintenance funding, shown by the RPMA, has increased, and our total is increasing slightly as we go from year to year.

MCA REAL GROWTH

[In millions of dollars]

	Fiscal year 1988 appropriation	Fiscal year 1989 appropriation	Fiscal year 1990 request	Fiscal year 1991 request
Budget	1,199	1,141	905	1,183
Inflation cost		—43	—65	—121
Currency cost		—8	—44	—56
Total (adjusted)	1,199	1,090	796	1,006
Real growth (compared to baseline	(1)	—9%	—34%	—16%

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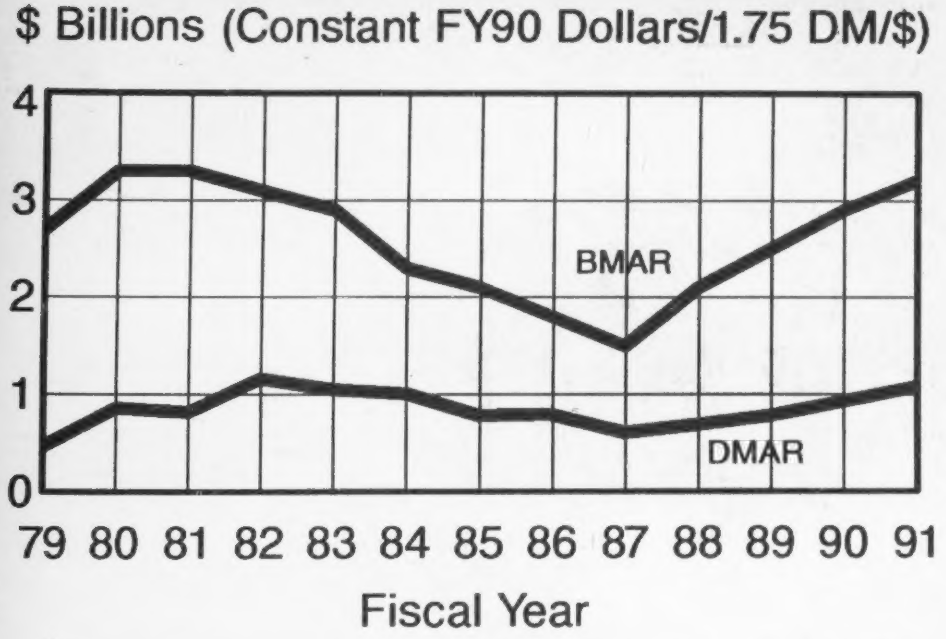
[1] Baseline

In terms of real growth, however, we see a continued erosion of buying power caused primarily by inflation and by currency cost in overseas expenditures. So if we adjust the request for 1990 and 1991 by those factors, indeed we have a real growth of minus 34 percent from the baseline year of 1988.

OMA Backlog of M&R (BMAR)
AFH Deferred M&R (DMAR)



What that has caused is a rapidly accelerating growth in our backlog of maintenance, which is impacted both by the fact that we are unable to fully fund our maintenance and repair and we are unable to revitalize our facilities at the rate that we would desire to do so.

NEW MISSION/CURRENT MISSION

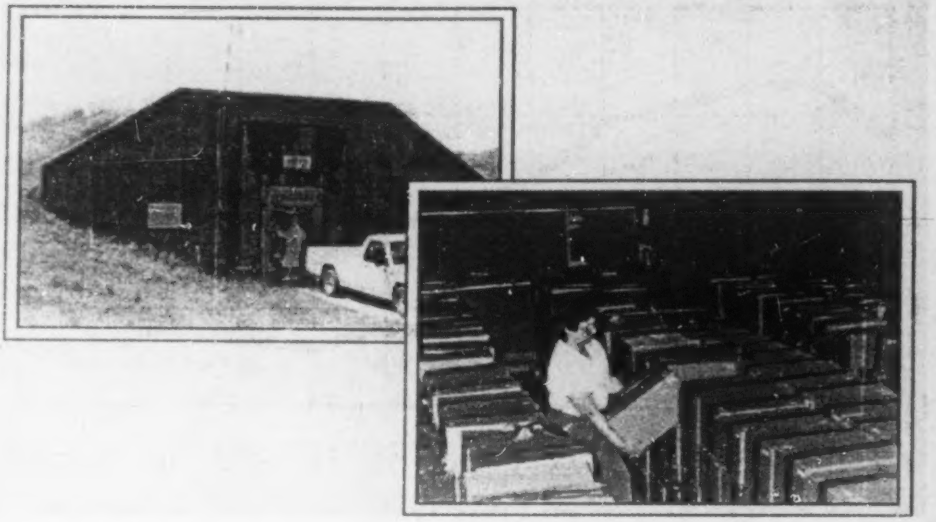
[Excludes UMMCA, P&D]

	$M	$ of total
Fiscal year 1990		
New mission	270	33%
Current mission	537	67%
Total	807	100%
Fiscal year 1991		
New mission	203	19%
Current mission	865	81%
Total	1,068	100%

However, we are putting more money into current mission and revitalization than we have in the past, and that trend is continuing out into 1991. This year's submission has about two-thirds of the program in current mission and that grows to over 80 percent in 1991.

Scientific Library

Redstone Arsenal, Alabama



Some of the revitalization projects included within the submission such as the one here, an example of a revitalization project of a scientific library storage area at Redstone Arsenal.

Consolidated Supply Warehouse

Ft Polk, Louisiana

Revitalization of Facility

A new consolidated supply warehouse will replace this deteriorated facility at Fort Polk, Louisiana.

Porter River Bridge

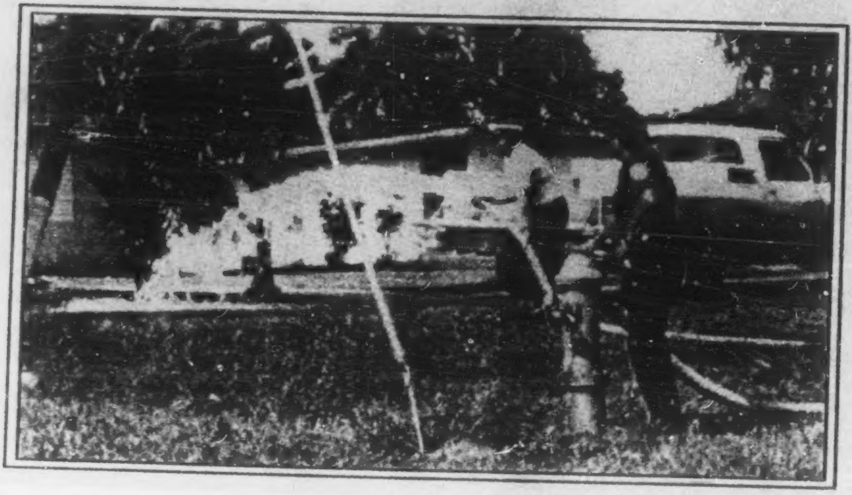
Fort Knox, Kentucy

- Below Flood Level
- Restricts Training Time

Mr. Stone mentioned deteriorating bridges in New York City. We have our very own at Fort Knox. I might comment that this bridge has since failed and has been removed. We no longer have access to one of our training areas as a result.

Water Distribution Upgrade

Fort Buchanan, Puerto Rico



We need to upgrade the water distribution system at Fort Buchanan, Puerto Rico because this is the water pressure that we currently have in the event that we have to go into a firefighting mode.

SIGNIFICANT PROJECTS IN FISCAL YEAR 1990 MCA REQUEST

[U.S. Only]

		# Projects	$M
Aviation complex	Fort Drum, NY	4	70
Special opns forces	Forts Bragg, Rucker, Campbell; Key West NAS	4	37
Central distr ctr	Red River AD, TX	1	39
QOL facilities	CDCs	10	36
	Barracks (bks/dining)	4	30
	Hardstand/maintenance	4	24
	Physical fitness	1	15

I would just like to point out a few of our significant projects within the submission. We are requesting an aviation complex at Fort Drum, New York to assist in moving the aviation brigade, which is currently stationed at Griffiss Air Force Base, and station that at Fort Drum with the division. Additional facilities for the Special Operations Forces, the central distribution facility at Red River, the second of three phases, and continuation of our quality of life program.

Heliport Complex

Fort Drum, NY

Outside Maintenance
and Repair
Wind Chill: -20°F

I mentioned the heliport complex. This will eliminate a 70-mile separation of the aviation brigade, improve safety operations and maintenance and fulfill a commitment that we made to the Air Force to vacate Griffiss Air Force Base by 1992.

Crowded SOCOM Hangar

Fort Campbell, Kentucy

A replacement of this old World War II maintenance hangar at Fort Campbell will provide quality maintenance for over $170 million worth of sophisticated aircraft.

Child Development Centers

Fort Campbell, KY

Fort Riley, KS

The replacement of these two child development centers at Fort Campbell and Fort Riley will give soldiers and families desperately needed child development facilities. I might comment that the one at Fort Riley is an old stable that was built in 1892.

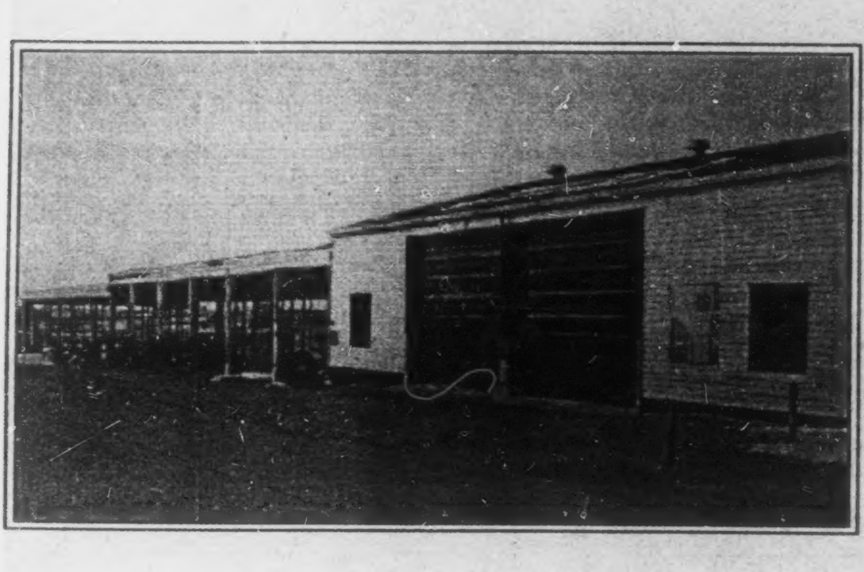
Enlisted Barracks

Fort Huachuca, Arizona

Finally, enlisted barracks replacement at Fort Huachuca will get soldiers out of this old World War II wood.

Tactical Equipment Shop

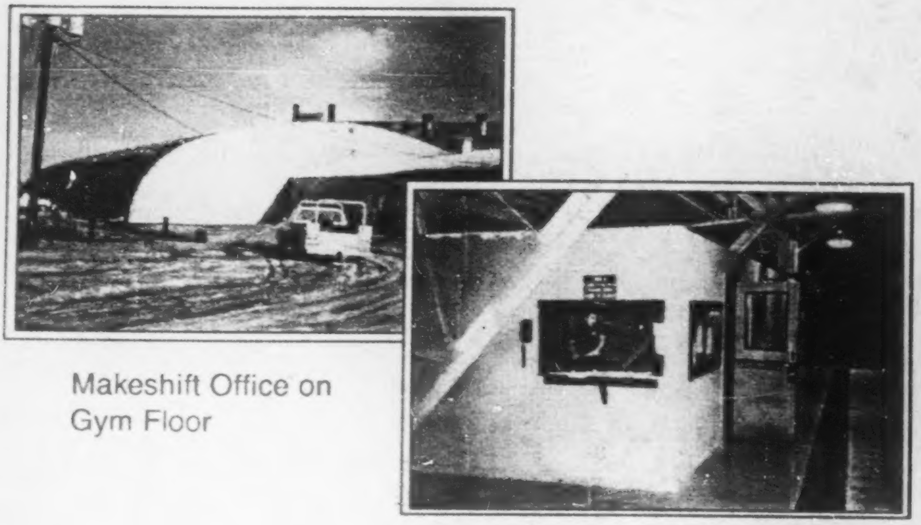
Fort Campbell, Kentucy



At Fort Campbell we need to replace this World War II facility so we can get soldiers into quality maintenance facilities to take care of their equipment.

Physical Fitness Center

Alaska



Makeshift Office on Gym Floor

We are requesting a gymnasium in Alaska to replace this quonset hut; and you can see that the office space is impinging on the recreation area of the soldiers.

HIGHLIGHTS IN EUROPE

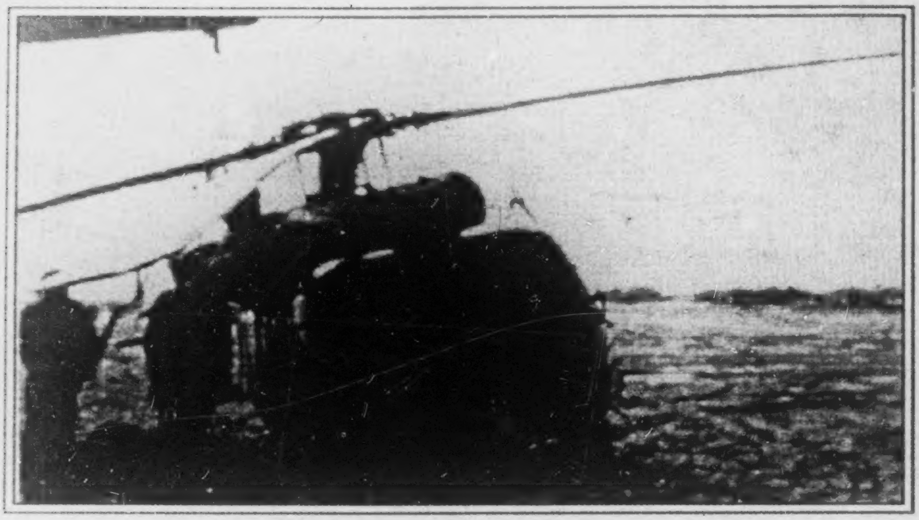
[Fiscal year 1990]

Location	Mission	# Project	$M
Rheinberg	Reichel complex	2	9.9
Vilseck	Stationing	3	12.9
Various	Aviation restationing (AH-64)	4	45.4
Hohenfels	Combat maneuver training complex	6	16.1
Various	Hardstand/maint fac	11	77.6

In Europe, we are nearing the end of a number of major initiatives. Rheinberg, Vilseck and Hohenfels are nearly completed. We have needed construction to support our fielding of the AH-64 helicopters and we are attempting to continue our hardstand program to get soldiers out of the mud.

Aircraft Parking Apron

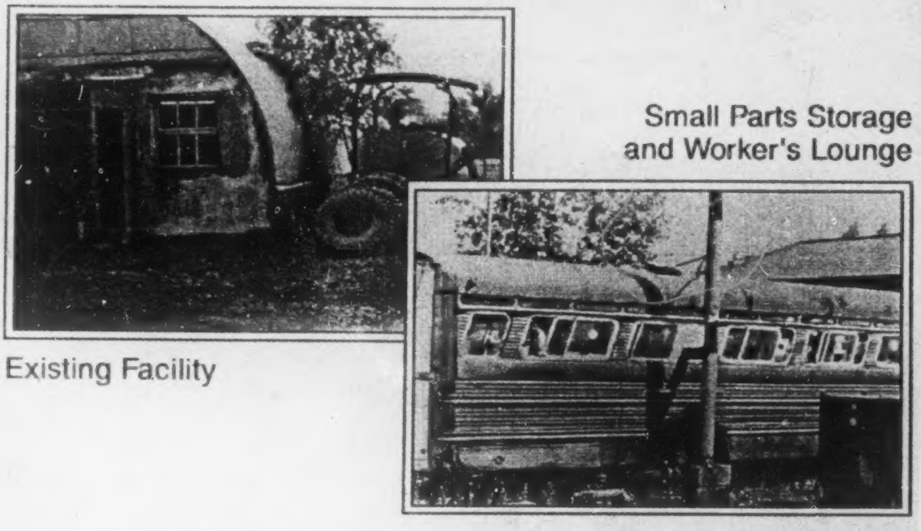
Hanau, Germany



This is a problem that occurs with a $17 million aircraft if we don't park them on appropriate hardstands. This one got stuck in the mud at Hanau and a hardstand is in the program.

Tactical Equipment Shop

Karlsruhe, Germany



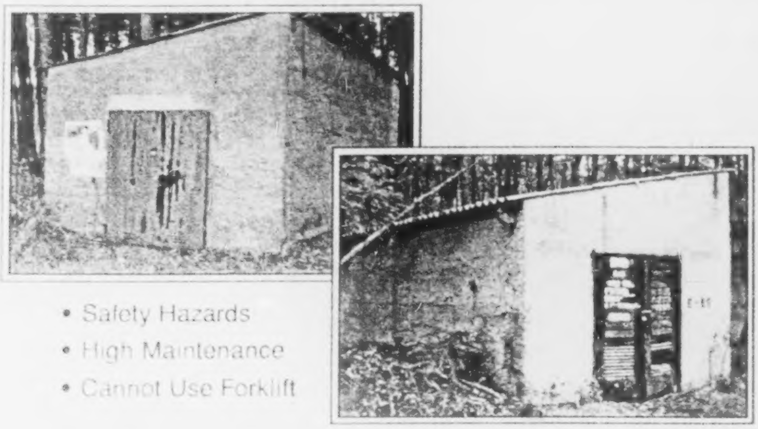
Small Parts Storage and Worker's Lounge

Existing Facility

This is a maintenance facility and shop office at Karlsruhe. We actually are using that bus as a storage area and worker's lounge.

Ammunition Storage Facility

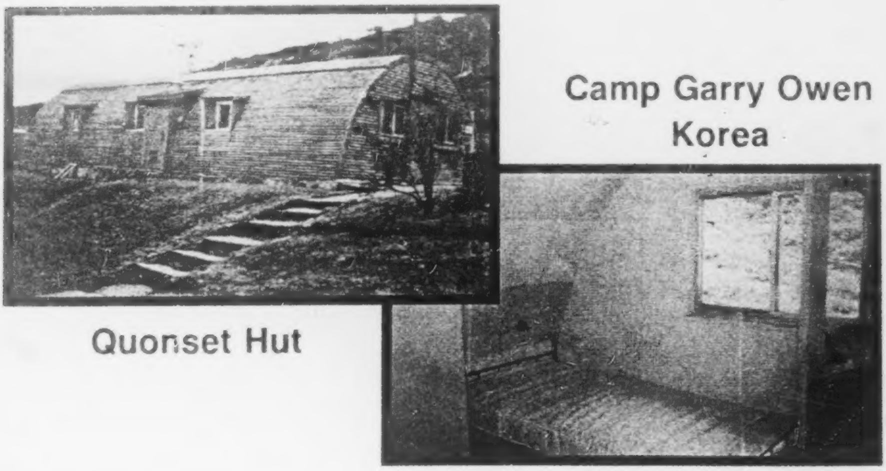
Darmstadt, Germany



- Safety Hazards
- High Maintenance
- Cannot Use Forklift

Ammunition is stored in this outdated facility at Darmstadt. We cannot get the forklifts into this facility and it impacts on our readiness capability. We need to replace that type facility.

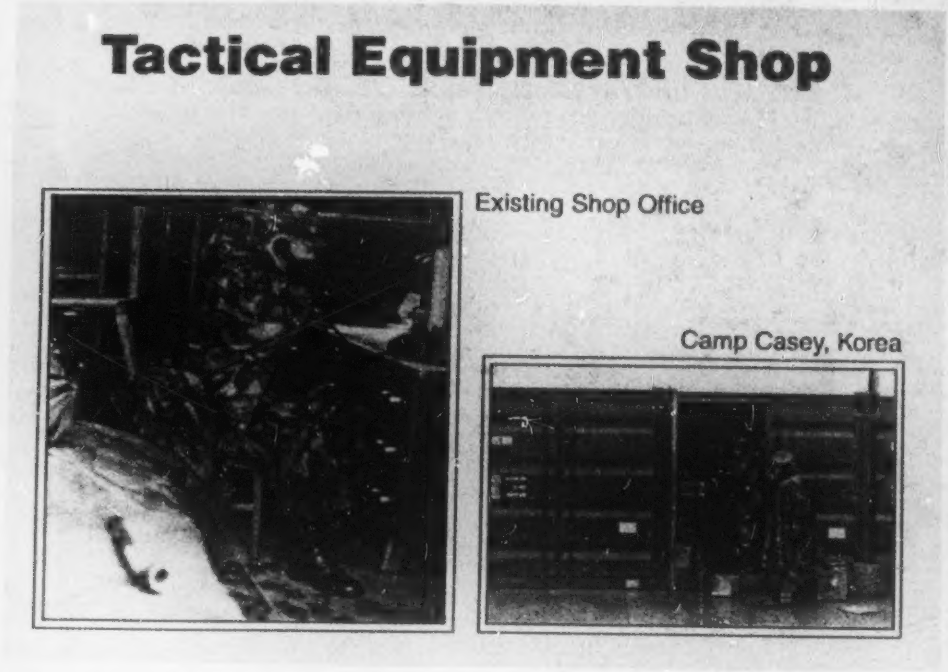
Unaccompanied Personnel Housing



Camp Garry Owen
Korea

Quonset Hut

We do have a continuation of some projects in Korea to get soldiers out of these old quonset huts. This shows Camp Garry Owen.

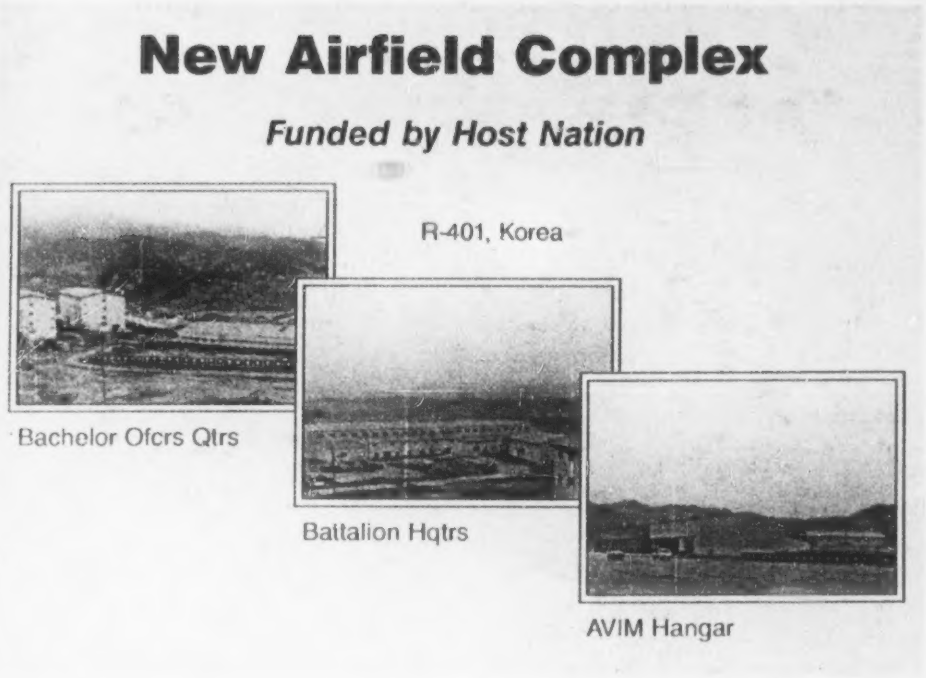


Tactical Equipment Shop

Existing Shop Office

Camp Casey, Korea

Another existing facility at Camp Casey is actually a mill van that has been converted and is being used as a tactical maintenance facility.



New Airfield Complex

Funded by Host Nation

R-401, Korea

Bachelor Ofcrs Qtrs

Battalion Hqtrs

AVIM Hangar

Mr. Stone commented on host nation support. I wanted to show you one in Korea that's working quite well. This is an airfield for tactical helicopters. These facilities are being funded and built by the Koreans.

MILITARY CONSTRUCTION AUTHORIZATION OF APPROPRIATIONS SUMMARY

[In millions of dollars]

	Approved fiscal year 1989	Requested	
		Fiscal year 1990	Fiscal year 1991
MAC	969	892	1.183
AFH	1,527	1,469	1,654
HOA	2	5	5

I would conclude with just a wrap-up on the overall program showing our military construction levels, our housing levels; and the Homeowner's Assistance Program, which is taking on added importance in that it will support the base closure initiatives as well as other currently ongoing actions.

This completes my brief overview and I await your questions.

PREPARED STATEMENT OF MAJOR GENERAL OFFRINGA

Madam Chairwoman and Members of the Subcommittee. I am Major General Peter J. Offringa, Assistant Chief of Engineers, Office of the Chief of Engineers, Department of the Army.

I am pleased to return this year to present the Army's portion of the Military Construction Authorization Request for fiscal years 1990 and 1991. I believe this program will continue the progress that you have made to ensure that today's Army is supported by adequate facilities to carry out its worldwide defense mission. The program presented requests authorization of appropriation for Military Construction, Army of $891,840,000 in fiscal year 1990 and $1,182,600,000 in fiscal year 1991, and for Army Family Housing, which we will discuss at a later hearing, we request authorization of $1,469,000,000 in fiscal year 1990 and $1,654,550,000 in fiscal year 1991.

This budget represents a substantial reduction from prior year requests due to the fiscal constraints that we are jointly experiencing. However, it will sustain efforts started in prior years to improve the operational readiness of the Army and, at the same time, provide the quality of life improvements so necessary to attract and retain dedicated individuals to service in the Army. This second biennial budget represents our efforts to develop a logical, executable program that will present a stable environment for more efficient operations. This year the Army's program emphasizes maintaining the readiness of the existing force and ensures that the existing force is sustainable while continuing to provide modernization, investment and quality of life resources.

In accordance with the Packard Commission and the Goldwater-Nichols Act, the Commanders-in-Chief participated in the development of the program and the priorities to provide mission essential facilities through their major Army commands. We believe that their involvement has assisted in placing the proper priority mix to meet the warfighting needs of not only Army's forward deployed units but also those soldiers in the United States.

Now with your permission, I would like to talk about our facilities strategy as it affects fielding of modern weapons systems, operational efficiencies and, most importantly, our soldiers and their families. Our mission is to meet the demands of a ready fighting force, support National objectives and provide quality living and working conditions within the reduced resources available to insure we attract, train, equip and retain soldiers.

FACILITIES ACQUISITION STRATEGY

The Military Construction, Army (MCA) program constitutes 1.1 percent of the total Army budget request in fiscal year 1990 and 1.4 percent in 1991 while the Army Family Housing program represents 1.8 and 2.0 percent, respectively, of the total Army budget over the same periods. These funds finance the new construction and revitalization of the facilities our soldiers need to live, train and maintain sophisticated equipment, and provide the operation and maintenance of our family housing facilities. Our request provides a balance of facilities and family housing operation and maintenance needed to satisfy the many requirements of today's Army within our limited resource environment.

As we analyze the facility requirements for new weapon systems being fielded and force structure being stationed, all feasible alternatives are considered. As the Assistant Chief of Engineers, I am responsible for planning and programing for all facilities support including Military Construction, Army (MCA), Real Property Maintenance Activities (RPMA) and Family Housing (AFH) programs. The Facilities Strategy is applied in our allocation of funds within the total funds available to the Army. The Army's strategy, in priority, is to maximize the use of existing facilities, to maintain what we own, to meet regulatory and environmental requirements, contain maintenance and repair backlogs, revitalize outdated facilities, and lastly, to build new facilities.

Prior to submitting this budget to you, we made adjustments within the Army to provide more funds to the RPMA program, which is reviewed by another committee of this Congress. As a result, we were left with less for the Military Construction program. This is in keeping with our strategy to take care of what we have before building new. Our decision to provide a new facility is made only after a detailed analysis of the alternatives concludes that there is no other economically acceptable alternative. Thus, projects that are classified as facility upgrade or modernization do not have a lower priority, they merely present the optimum alternative as the facilities strategy is applied.

The balance among the many facility demands is reflected in the fiscal year 1990 MCA request with over fifty-one percent of the program supporting mission related projects, such as operation, training, maintenance and RDT&E facilities. Additionally, thirty-two percent will go to support facilities such as supply, administration, unaccompanied housing and community facilities. The remaining balance will provide utilities, design, and minor construction. All of this construction is essential for the Army to successfully perform its mission and care of its people.

In the family housing area, our thrust is to operate and maintain what we own with over seventy-four percent in fiscal year 1990 going to pay operations, utilities and maintenance expenses. An additional twenty-one percent in fiscal year 1990 will pay for the leasing of additional homes to provide adequate housing for our military families with a corresponding offset to the Military Personnel, Army (MPA) account. The remaining will be used to revitalize the current inventory, construct new homes, planning and design and debt service for the remaining Wherry housing debt.

Now, with your permission I will present the details of the biennial fiscal years 1990 and 1991 MCA program, highlight selected initiatives and show the balance that we have achieved to provide support for the total Army. First, let us look at the three primary perspectives of our soldiers; working, training and living conditions.

WORKING AND TRAINING CONDITIONS

A significant amount of resources is devoted to improving the working and training conditions and therefore the readiness of our soldiers. Over fifty-one percent of the program in fiscal year 1990 and fifty-three in fiscal year 1991 is devoted to improving working and training conditions. We are providing modern facilities for instructional, logistics and training support of Army operations. I believe that better facilities leads to better performance. Accordingly, better performance leads to a corresponding increase in military readiness and warfighting capability. A total of $465,290,000 is included in the fiscal year 1990 request and $633,160,000 in 1991 to ensure this support will be sustained.

The fiscal years 1990 and 1991 requests include $116,650,000 and $64,490,000 for Operational projects, $76,900,000 and $113,480,000 for Training ranges and facilities, $229,500,000 and $406,410,000 for Maintenance and Production, $42,240,000 and $48,780,000 for Research, Development Test and Evaluation.

LIVING CONDITIONS

Although the Army continues to support Quality of Life through a balanced program, troop housing and community facilities have been reduced from requests of previous fiscal years as funding is further constrained. The operational necessity of sustaining a ready Army and high priority defense initiatives have forced us to slow down on one of our most successful and visible programs. Troop housing and community support facilities total $137,690,000, sixteen percent, for fiscal year 1990 and $212,040,000, eighteen percent, for fiscal year 1991.

In the Unaccompanied Housing category, the fiscal year 1990 request of $68,550,000 contains 3,130 spaces of new construction, and one dining facility. In fiscal year 1991, we have included $117,440,000 for 4,353 spaces of new construction, 1,106 existing spaces for modernization, and four dining facilities.

The Morale, Welfare and Recreation projects in the community facilities program exemplify the Army's commitment to fixing existing assets where it is cost effective and only construct where there is no other option. New construction will utilize design standards to save construction costs. We are making progress and, with your help, will continue this program. Our request includes a mix of eighteen critically needed community facility projects totaling $69,140,000 in fiscal year 1990 and an additional twenty-seven projects for $94,600,000 in fiscal year 1991 as indicated in the following display:

COMMUNITY FACILITY PROJECTS

	FY 1990	FY 1991
Chapel	1	4
Chapel Center & Child Development Center	2	1
Child Development/Religious Ed Center	2	0
Child Development Center/Addition	6	6
Education Center/Addition	1	1
Physical Fitness Training Center	2	7
Recreation Center	1	1
Snack Bar Upgrade/Cadet Club	1	0
Post Office	1	0
Community Support Facility	1	0
Library Addition	0	1
Multi-Purpose Auditorium Facility	0	1
Fire Station	0	4
Military Police Station Addition	0	1

GEOGRAPHICAL DISTRIBUTION HIGHLIGHTS

UNITED STATES

Our budget request inside the United States provides $523,460,000 for fiscal year 1990 and $697,400,000 for fiscal year 1991 in construction projects. The projects are located at installations in 23 states for fiscal year 1990 and 28 states for fiscal year 1991. Projects totaling more than $30 million in construction in fiscal year 1990 are located in each of the following states: Alabama, Kentucky, New York, North Carolina, and Texas; and for fiscal year 1991: Alabama, California, Kansas, Kentucky, New Jersey, North Carolina, Oregon, Pennsylvania, Texas, and Washington.

EUROPE

Our construction program for the United States Army, Europe (USAREUR) totals $205,460,000 for fiscal year 1990 and $235,620,000 for fiscal year 1991. Except for Forces Command this is the largest major Army command program; however, in relation to total requirements, it is an austere program especially when considered in light of the deplorable conditions in which many of our soldiers live and work. Twenty-eight percent of our soldiers are stationed in Europe. The size of our program in Europe represents the Army's response to major facility concerns by the Commander-in-Chief of U.S. Army, Europe and the sustainment of major initiatives in that theater. Marked improvements have been made, thanks to the strong support of Congress and the Administration. This program will continue that momentum and provide additional improvements. Our biennial budget represents a prudent balancing of requirements and support for our deployed soldiers as well as a responsible stewardship of our constrained resources.

Emphasis in the program remains on facility modernization, hardstand/ facility upgrade, with 23 of the 36 projects in fiscal year 1990 and 25 of 40 projects in fiscal year 1991. The program also supports utilities improvements, range modernization, aircraft maintenance hangars and quality of life. These facilities will not only permit the deployment of new weapons, they will also substantially improve the conditions of the areas where the soldiers spend much of their working day.

WESTERN PACIFIC

The Army continues to support its commitment in the Western Pacific with a $50,550,000 fiscal year 1990 request and $89,630,000 fiscal year 1991 request in support of the Eighth U.S. Army in Korea. Once again our program provides the facility support to the major initiatives of the Commander-in-Chief of U.S. Forces in Korea. The U.S. Army, Japan request is $17,100,000 for fiscal year 1991. Almost sixty percent in fiscal year 1990 and seventy-two percent in fiscal year 1991 request for the Western Pacific area is allocated to replacing the deplorable housing facilities used by the 2d Infantry Division and support organizations.

Let me emphasize, that while our construction standards at these locations are austere, they are consistent with enhancing individual, unit, and equipment readiness within the realities of an unaccompanied overseas environment. The fiscal years 1990 and 1991 programs also provide $20,250,000 and $18,800,000, respectively, for operational and equipment support requirements in this area.

KWAJALEIN MISSILE RANGE

In the fiscal year 1990 MCA budget request, we have included $9,500,000 for construction to support the Kwajalein Missile Range. The request contains projects for a water production facility, sewage treatment plant and an addition to the document storage facility.

CENTRAL AMERICA

The Army has minimum construction requirements for additional facilities in this region. In fiscal year 1990 only two projects are included for Panama and Honduras totalling $9,600,000. An aircraft apron extension will ensure safe operations of the additional, larger helicopters being stationed in Panama. The project in Honduras, for replacing wooden "cat hut" tents with relocatable billets, will provide improved temporary living conditions to personnel assigned to this remote site and will be the last of the barracks upgrade program in Honduras.

SPECIAL PROGRAM HIGHLIGHTS

REVITALIZATION OF ARMY FACILITIES

We are forging, within the very tight fiscal constraints, a revitalization strategy. This strategy involves defining the costs and benefits associated with various levels of revitalization investment in our current facilities. The current budget has a revitalization investment rate, in both Military Construction, Army (MCA) and Real Property Maintenance Activities (RPMA), of about 1.1 percent of the Army's Plant Replacement Value. An Office of the Secretary of Defense study indicated that Department of Defense facilities replenishment rates are one-third of the private sector and one-half of other public sectors. Our approach entails clarifying the benefits--in dollars and productivity--for increasing our facilities/infrastructure revitalization rates. We are continuing to develop the necessary documentation to justify additional funding of a revitalization program to balance our essential new mission facilities requirements.

ARMY ENVIRONMENTAL PROGRAM

The fiscal years 1990 and 1991 programs include three projects for water pollution abatement totalling $48,250,000. One project is in the fiscal year 1990 budget for Kwajalein. Two projects in fiscal year 1991 support requirements for Fort Sill and Fort Dix which also services the adjacent McGuire Air Force Base.

AREA ORIENTED DEPOT (AOD) MODERNIZATION

The Area Oriented Depot modernization/standardization (AODM/S) program will provide the Army wholesale supply system with state-of-the-art facilities capable of sustaining a high level of support to the modern Army well into the next century, both during peace and mobilization for wartime support. The AODs at Sharpe Army Depot, California; New Cumberland Army Depot, Pennsylvania; and Red River Army Depot, Texas, process 92 percent of all of the Depot Systems Command's materiel release orders, primarily repair parts.

With your support, funding has been completed for the first Distribution Center Facility at Sharpe Army Depot which will be operational this spring, and the second facility at New Cumberland Army Depot, Pennsylvania, where construction is at 80 percent and progressing on schedule. The third facility, at Red River Army Depot, Texas, was initiated in the fiscal year 1988 program by the Congress and received advance authorization of $88,000,000 in fiscal year 1989. However, due to the long construction time involved with AOD's, appropriation of only $10,000,000 was approved in fiscal year 1989. The fiscal years 1990 and 1991 programs request $39,000,000 of that authorization each year to complete the funding of this facility, which will allow our distribution system to be more efficient.

LIGHT INFANTRY DIVISION

The Army formed five light infantry divisions to improve its ability to deploy rapidly to all parts of the world, particularly for low intensity conflicts. We converted two existing active component divisions (at Fort Ord, California, and in Hawaii); formed two new active component divisions (at Fort Drum, New York, and in Alaska); and, formed one new Army National Guard division (at Fort Belvoir, Virginia). The converted divisions involved minimal new construction requirements. The 6th Infantry Division has been activated in Alaska using the existing 197th Infantry Brigade as a nucleus and is split between Forts Wainwright and Richardson.

The 10th Mountain Division has been activated at Fort Drum, New York. The FY 87 Military Construction and Appropriation Acts provided total authority of $615 million for the facilities required in support of the 10th Mountain Division at Fort Drum, New York. A construction contract to undertake this work was awarded in April 1987. In addition to the initial appropriation of $175 million in fiscal year 1987, the Congress provided advance authorization and advance appropriations totaling $221 million for fiscal year 1988 and $214 million for fiscal year 1989 for a total appropriation of $610 million. The fiscal year 1990 budget requests completion of a military aviation facility at Fort Drum for $70,600,000. This will provide not only a complete and usable airfield facility but will improve the readiness of the 10th Mountain Division and reduce costs of operating from the remote airfield currently being used. The completion of the airfield facilities will essentially complete the Fort Drum expansion program as planned in 1987 except for 44 projects totaling $134 million. These projects will now compete through the normal MCA process for funding in future budgets.

USAREUR INITIATIVES

The European Theatre has several important initiatives that depend on facilities included in this request. Several projects will sustain the momentum of our previous programs and provide the required support for our soldiers and equipment.

The continuation of construction in support of operations of the Northern Army Group at the Reichel Complex in Rheinberg remains a high priority this year. The projects included in the fiscal years 1990 and 1991 request continue the program that began in fiscal year 1987 and are necessary to ensure that the programing will be completed on schedule. As you know, this complex is being developed as a result of a threat analysis and is ideally located to provide logistical support and coordination in this area. The three projects included in the budget include two operational tactical equipment shops with hardstands and a community support facility.

The relocation of ground combat units to Vilseck and the Army Aviation Restationing initiatives are continued in the requests for both fiscal years 1990 and 1991. Projects submitted are critical for the fielding of ground combat units and AH-64 Attack Helicopter battalions.

Establishment of the Combat Maneuver Training Complex (CMTC) at Hohenfels will allow USAREUR armor and mechanized infantry battalions to train in a realistic battlefield environment. The construction included in this request is required to achieve the goal of providing fully operational, realistic training to our forward deployed combat units in USAREUR.

We again ask for construction of facilities to improve the living and working conditions of our soldiers in Europe. This request will allow continuation of our effort to "get our soldiers out of the mud" and improve their quality of life. Our request is necessary not only to assure that we have a highly motivated, ready force in Europe, but to protect the investment we have in our soldiers and their weapons and equipment as well.

These issues have the full support of the Commander-in-Chief (CINC), U.S. Forces, Europe. The fact that the fiscal year 1990 request for Europe represents 23 percent of the Army request and fiscal year 1991, 20 percent, is a result of strong CINC involvement with the Military Construction program in Europe.

CHEMICAL DEMILITARIZATION

The Army, as the Executive Agent for the Chemical Demilitarization Program, is responsible for the disposal of the entire United States stockpile of chemical agents and munitions. For several years, the Army has been researching the best method for disposing of the chemical stockpile. Our research has shown that the safest and most efficient way to dispose of the chemical stockpile is through disassembly and incineration. We have demonstrated this methodology successfully at our pilot facility, the Chemical Agents Munitions Disposal System (CAMDS) located at Tooele Army Depot, Utah. We will use the disassembly technology at the Johnson Atoll Chemical Agent Disposal System (JACADS), our first full-scale disposal facility, and at the eight facilities that will be constructed in the continental United States.

In fiscal year 1989, we will construct the first chemical disposal facility in the United States at Tooele Army Depot, Utah. The next construction phase of this program is included in the fiscal year 1991 request and includes three projects totaling $96,900,000 -- Anniston Army Depot, Pine Bluff Arsenal and Umatilla Army Depot.

SPECIAL OPERATIONS FORCES

The Army continues on its planned expansion and enhancement of the Special Operations Forces authorized by Congress with requests for $37,450,000 and $4,800,000 in fiscal years 1990 and 1991, respectively. The construction of the Headquarters Building for the 1st Special Operations Command (SOCOM) in fiscal year 1990 will vastly improve the overall command and control for this important organization. Also included in 1990 is the Combat Divers Training Facility to be constructed at Fleming Key, FL, for the J.F. Kennedy Special Warfare Center at Fort Bragg, NC. The remaining projects in 1990 and those in 1991 provide the necessary facilities for the Special Operations Aviation units at Fort Campbell, KY, Fort Stewart, GA, and for flight simulation training at Fort Rucker, AL.

ARMY COMMUNITIES OF EXCELLENCE

This year the Army instituted a program which is not a direct part of this budget but will affect our personnel worldwide. This program is the "Army Communities of Excellence". The Secretary of the Army and Chief of Staff have recognized that Army communities are a natural resource over which we must exercise husbandry to protect them from deterioration and ensure our future effectiveness. We believe that community excellence engenders pride, and pride is the fuel of human accomplishment. This in turn will be a combat multiplier. Army Communities of Excellence is not a new program that will require specific resources but is an umbrella program that we believe will bring out the best in our people and improve our working and living environment.

The Army Communities of Excellence program is based on the principle that communities support people by combining excellent services with excellent facilities. Facilities with poor services are empty, sterile, or worse. Moreover, services offered in poor facilities reflect an organization's disregard for its personnel. The Army Communities of Excellence approach is to set high standards, evaluate against those standards and reward those who meet and exceed those standards. The approach to excellent facilities offers guidance for positive change for the near and long term, including such things as; installation design guides to bring consistency of appearance to our installations, expanded self-help programs, and appearance of exteriors, interiors and furnishings. In the services area, a concept of customer service, commitment to courtesy and promptness in service delivery is stressed. We believe that with this program we will see a better community environment with more response by our soldiers and their families.

CURRENCY REVALUATION IMPACTS

The decline of the dollar continues to have an impact on our construction program. Previous programs have been budgeted at rates as high as 2.99 DM per dollar. The contracts that have been awarded and obligated at the prior, higher rates are now actually being paid out at a much lower rate for work as it is being constructed -- recently as low as 1.72 DM per dollar. An analysis of the impact, at this rate, on the fiscal year 1989 and prior authorized programs indicates an additional outlay requirement for MCA and family housing of approximately $110,000,000 and $140,000,000, respectively, during fiscal year 1989. The request for fiscal years 1990 and 1991 is budgeted at 1.75 DM per dollar in accordance with the Office of Management and Budget Guidelines, and unless we have a drastic change in the world money markets this will help the currency problems in the out-years. But there will still be a problem in the near term since rates from 1986 through 1989 were budgeted at rates varying from 2.99 to 2.06 DM per dollar.

In fiscal year 1987 a currency fluctuation account was established within the Department of Defense; however, there was no funding associated with this account and we initially capitalized this with the limited unobligated balances accrued in prior years. The fiscal year 1988 and 1989 appropriations to offset currency deficiencies provides partial relief, however, shortages continue. We will continue the practice of deferring the awards of some projects this year in order to avoid an overobligation within this appropriation. We utilized a similar strategy last year and, fortunately, did not have to cancel any approved projects due to currency losses. I am not optimistic that we can completely avoid cancellation of projects this year.

I am bringing this to your attention as a problem that we again have to jointly face. This is the most critical problem we have in awarding and constructing the program requested.

BUDGET REQUEST ANALYSIS

OVERVIEW
MILITARY CONSTRUCTION, ARMY

The fiscal year 1990 MCA budget request includes a request for new authorization of $852,840,000 along with a companion request for total obligational authority of $904,800,000. In fiscal year 1991, we are requesting new authority for $1,143,600 with a companion request for total obligational authority of $1,182,600.

The difference in the Authorization and Appropriation requests in fiscal year 1990 is due to the previously authorized construction at Red River Army Depot fiscal year 1989 advance authorization of $88,000,000 and high priority projects in Germany for which appropriation could not be provided in fiscal year 1989 due to budget constraints ($12,960,000). In fiscal year 1991, the difference between the Authorization and Appropriation is the previously authorized construction at Red River Army Depot. This is summarized on the following chart:

	FY 90 ($ 000)	FY 91 ($ 000)
Previous Authorizations:	51,960	39,000
Red River AD	(39,000)	(39,000)
Europe Projects	(12,960)	(0)
New Project Authorization:	852,840	1,143,600
Red River AD	39,000	39,000
Authorization of Appropriations	891,840	1,182,600
Appropriations Requested	904,800	1,182,600

The difference in the authorization and appropriations request, by facility category, is shown in TABLE 1:

TABLE 1

FY 90 MCA

FACILITY CATEGORY	AUTHORIZATION ($000)	APPROPRIATION ($000)
Operations and Training	192,100	193,550
Maintenance and Production	229,500	229,500
Research, Development, Test and Evaluation	42,240	42,240
Supply & Administrative	104,650	149,550
Unaccompanied Housing	68,550	68,550
Community	63,530	69,140
Utilities & Real Estate	54,390	54,390
Design/Minor	97,880	97,880
Total	852,840	904,800

FY 91 MCA

FACILITY CATEGORY	AUTHORIZATION ($000)	APPROPRIATION ($000)
Operations and Training	177,970	177,970
Maintenance and Production	406,410	406,410
Research, Development, Test and Evaluation	48,780	48,780
Supply & Administrative	81,950	120,950
Unaccompanied Housing	117,440	117,440
Community	94,600	94,600
Utilities & Real Estate	101,750	101,750
Design/Minor	114,700	114,700
Total	1,143,600	1,182,600

TABLE 2 shows the facility categories in which funds are requested and the percentage of the construction dollars by category.

TABLE 2 - FISCAL YEARS 1990-1991
MILITARY CONSTRUCTION, ARMY, PROGRAM
FACILITY CATEGORY SUMMARY

FACILITY CATEGORY	FY 1990 COST ($000)	%	FY 1991 COST ($000)	%
Operations and Training	193,550	21	177,970	15
Maintenance and Production	229,500	25	406,410	34
Research, Development, Test and Evaluation	42,240	5	48,780	4
Supply & Administrative	149,550	16	120,950	10
Unaccompanied Housing	68,550	8	117,440	10
Community	69,140	8	94,600	8
Utilities & Real Estate	54,390	6	101,750	9
Design/Minor	97,880	11	114,700	10
Total	904,800	100	1,182,600	100

TABLE 3 shows the fiscal years 1990 and 1991 distribution of the appropriation request among major commands in the United States and overseas. Construction projects in the United States account for $523,460,000 in fiscal year 1990, fifty-eight percent, and $697,400,000 in fiscal year 1991, fifty-nine percent. Construction projects outside the United States are thirty-one percent in each of the years total request, $283,460,000 and $365,000,000. This request also calls for planning and design, and unspecified minor construction of $ 97,880,000 in fiscal year 1990. In fiscal year 1991, this is increased, along with a request for access roads, for a total request of $120,200,000.

TABLE 3 - PROPOSED FISCAL YEAR 1990-1991
MILITARY CONSTRUCTION, ARMY, PROGRAM
COMMAND SUMMARY

FY 1990

COMMAND	COST ($000)	PERCENTAGE OF TOTAL
INSIDE THE UNITED STATES		
Forces Command	259,890	28.7
Training and Doctrine Command	73,050	8.1
Army Materiel Command	119,090	13.2
Western Command	19,300	2.1
Information Systems Command	10,530	1.2
US Military Academy	12,400	1.4
Army Health Services Command	2,300	0.3
Military District Washington	23,000	2.5
Other	3,900	0.4
Total	523,460	57.9
OUTSIDE THE UNITED STATES		
US Army, Europe	205,460	22.7
Eighth US Army, Korea	50,550	5.6
Strategic Defense Command	9,500	1.0
Southern Command	9,600	1.1
Intelligence Command	2,250	0.2
Other	6,100	0.7
Total	283,460	31.3
OTHER		
Planning and Design	86,880	9.6
Unspecified Minor Construction	11,000	1.2
Total	97,880	10.8
Total obligation authority requested:	904,800	100.0

TABLE 3 (CONTINUED) - PROPOSED FISCAL YEAR 1990-1991 MILITARY CONSTRUCTION, ARMY, PROGRAM COMMAND SUMMARY

COMMAND	FY 1991 COST ($000)	PERCENTAGE OF TOTAL
INSIDE THE UNITED STATES		
Forces Command	298,510	25.2
Training and Doctrine Command	165,020	14.0
Army Materiel Command	208,710	17.7
Western Command	9,600	0.8
Intelligence Command	1,100	0.1
Information Systems Command	5,010	0.4
Army Health Services Command	550	0.1
Military District Washington	3,700	0.3
Military Traffic Management Command	1,200	0.1
Other	4,000	0.3
Total	697,400	59.0
OUTSIDE THE UNITED STATES		
US Army, Europe	235,620	19.9
Eighth US Army, Korea	86,880	7.4
US Army, Japan	17,100	1.4
Southern Command	1,350	0.1
Intelligence Command	2,750	0.2
Other	21,300	1.8
Total	365,000	30.8
OTHER		
Access Roads	5,500	0.5
Planning and Design	102,700	8.7
Unspecified Minor Construction	12,000	1.0
Total	120,200	10.2
Total obligation authority requested:	1,182,600	100.0

MCA SUMMARY

Madam Chairwoman, in summary, the fiscal years 1990 and 1991 Military Construction Army, request for new authorization is $852,840,000 and $1,143,600,000, respectively. The request for authorization of appropriation is $891,840,000 and $1,182,600,000 in fiscal years 1990 and 1991 due to the advanced authorization for the AOD at Red River Army Depot and authorization available from previous years. With available prior year authorization, a corresponding appropriation of $904,800,000 in fiscal year 1990 and $1,182,600,000 will realize the Army goals to support Army, Defense and National initiatives, get equipment out of the mud, provide adequate housing for soldiers, eliminate obsolete and deficient work areas, meet statutory and regulatory requirements, and continue to send a message to our soldiers that their government cares. Approval of this request will continue the efforts of the Army and Congress, to provide modern facilities enabling us to attract and retain quality soldiers and maintain worldwide operational readiness and fighting ability.

OVERVIEW
REAL PROPERTY MAINTENANCE ACTIVITIES
OPERATIONS AND MAINTENANCE, ARMY

I would like to talk about another important source of funding in support of the Army's facilities, the Real Property Maintenance Activities (RPMA). The authorization for these funds is provided as a part of the Defense Authorization Bill.

RPMA ACCOUNTS

RPMA is a major program with four major functional accounts -- Operation of Utilities, Maintenance and Repair of Real Property, Minor Construction, and Engineer Support. We record costs of these major accounts to subaccounts to reflect the total cost to operate and maintain the Army's Physical Plant. Following is a list of these major accounts and their functions:

- Operation of Utilities -- "J" Account
  - Procurement, production and distribution of Utilities
    - Electrical Energy
    - Steam and Hot Water
    - Fuels Utilities
    - Water
  - Operation of Utilities systems and plants

- Maintenance and Repair of Real Property -- "K" Account
  - Maintain Functional Area:
    - Utilities Systems
    - Buildings
    - Grounds
    - Railroads
    - Surface Areas
  - Perform Environmental Restoration

- Minor Construction -- "L" Account
  - Funding under $200,000 per project
  - Erection, Installation, Assembly of a New Real Property Facility
  - Addition, Expansion, Extension, Alteration, Conversion, or Replacement of an Existing Real Property Facility
  - Relocation of a Real Property Facility from One Installation to Another
  - (Excludes Minor Construction Funded by Military Construction Funds)

Engineer Support -- "M" Account
- Fire Prevention and Protection
- Refuse Handling and Disposal
- Facilities Engineering Management
- Rental of Real Property
- Pest Control Services
- Snow/Sand Removal and Ice Alleviation
- Management and Engineering
  - Master Planning
  - Environmental Analysis
  - Project Pre-planning
- Miscellaneous Real Property Services
  - Real Estate Administration
  - Facilities Engineering Supply
  - Director of Engineering and Housing Staff

SOURCES OF RPMA FUNDING

We fund RPMA from several appropriations and sources. The most common of these sources is the Operations and Maintenance, Army (OMA) appropriation. Funding is also received from:

- Research, Development, Test and Evaluation (RDTE)
- Other Procurement, Army (OPA)
- Army Industrial Fund (AIF)
- Family Housing, Army (AFH)
- Operation and Maintenance, Army National Guard (OMANG)
- Operation and Maintenance, Army Reserve (OMAR)
- Reimbursable Customers
  - Tenants -- DoD and Other Services
  - Non-Appropriated Fund Activities
  - Foreign Governments

BACKLOG OF MAINTENANCE AND REPAIR

When we cannot fund the annual recurring maintenance and repair requirements, the result is a Backlog of Maintenance and Repair (BMAR). BMAR is defined as an aggregation of major maintenance and repair projects that were planned for accomplishment in previous fiscal years but were not accomplished due to lack of resources. At the end of each fiscal year, all of the unaccomplished projects become potential BMAR. The reporting activity then thoroughly reviews this potential BMAR before it is added to the previous listing of BMAR projects. These planned maintenance and repair (M&R) projects are reviewed to determine if the project can be rescheduled to subsequent fiscal years and included in those years' Annual Recurring Requirements or added to the BMAR list of deferred projects.

We can reduce BMAR in several ways. By funding and completing of outstanding M&R projects, we remove them from the backlog list. The requirement is also removed by accomplishing a new construction project. Another way we reduce BMAR is by deactivating or demolishing the facility requiring M&R work or by closing all or part of the installation. However, BMAR cannot truly be reduced unless the Annual Recurring Requirements are fully funded and additional funds are available to apply against the backlog requirements.

BMAR is an indicator of the condition of our Real Property Assets. A high level of BMAR indicates a poor condition of facilities, and this will impact on the living and working condition of the soldier and his family. This, in turn, has a direct impact on force readiness. A high BMAR also tends to negatively reflect on energy conservation progress and environmental stewardship.

REVITALIZATION OF THE ARMY'S PHYSICAL PLANT

Revitalization of the Army's physical plant is defined as the systematic replacement or renovation of the Army's real property facilities to current standards for mission accomplishment and physical condition. I believe facilities should be revitalized on a basis corresponding to their economic life span. Life spans of facilities vary with the type of facility. The OSD RPMA study set an annual DoD facility investment goal of 4.5 percent of Plant Replacement Value (PRV). This represents about half of the rate of major private industry but would be a large increase in the Army's revitalization investment rate.

The funding sources for Army revitalization are primarily the OMA and Military Construction, Army (MILCON) appropriations. RDTE, AIF, OPA, NAF and private sector financed facilities (3rd party arrangements) also support revitalization of utility plants, the industrial base and other associated Army facilities. Revitalization funds basically come from either major maintenance and repair projects or "current mission" construction projects. The major maintenance and repair projects provide revitalization through renovation of existing facilities while construction provides revitalization by building new facilities or complete modernization of current assets. "New mission" construction may contribute to revitalization, however it is difficult to establish any precise relationship.

We are falling short of the DoD investment goal. We have lost the momentum we had during the period 1980-1987. Additional funds for repair and maintenance and renewal construction for all classes of Army facilities are needed to stem the tide of a deteriorating infrastructure. Meeting the DoD investment goal would turn this dramatic growth in our backlog of maintenance and repair around. Coupled with efficiency and productivity enhancements, innovative business practices, and some additional financial flexibility from congressional constraints, additional funding could begin a slow but steady decrease in the backlog. Moreover, added funding would also support Army productivity, morale, recruitment, retention and ultimately, war fighting readiness.

SUMMARY

This summary of the RPMA portion of Army's OMA appropriation provides a small glimpse of the importance of these accounts to Army facilities and eventually to all Army programs. The support of the Congress for these programs is needed to improve our soldier's quality of life, assist us to provide wise and careful stewardship of our existing inventory, and improve our operational readiness and war fighting capability.

Madam, this concludes my statement. I would be pleased to answer any questions or arrange for answers to be inserted in the record.

Mrs. **Schroeder**. Thank you very much.

I think we will just move on and, Admiral Montoya, we will let you have the next crack at it.

STATEMENT OF REAR ADM. BENJAMIN F. MONTOYA, CEC, U.S. NAVY, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND, DEPARTMENT OF THE NAVY

Admiral **Montoya**. Madam Chairwoman and members of the subcommittee, good afternoon.

When one doesn't get all you want in a budget request, one goes for quality. In my view, I think that our request of $1.14 billion and $1.31 billion in 1991 as a Navy/Marine Corps budget is a high quality request in this regard.

From a facilities perspective, taking care of current mission requirements and quality-of-life requirements is a very, very high priority. Even though we have experienced a significant reduction from fiscal year 1989, the part of our military construction budget that supports our current mission has grown. Whereas, in 1989, we requested $518 million, or 36 percent of that budget, in 1991, we are requesting $685 million, or two-thirds of the 1990 request, and the same holds true for the 1990-1991 request.

Within those current mission dollars we are asking, nearly half is for quality-of-life facilities; $358 million for troop housing and community facilities in fiscal year 1990-1991, and request for 11 Navy and 2 Marine Corps child care centers at a cost of $15.8 million. I would add parenthetically that during the question and answer session I would like to expand upon Mr. Stone's comments, not in effect to contradict him, but we have a Navy perspective on that subject which I will share with you if you care to hear it.

In strategic homeporting we are requesting in the 1990 budget $84.8 million, which includes $30.9 million for the Naval Station in Staten Island, New York; $33.6 million for the Gulf Coast, and $20.3 million for the Naval Station at Everett, Washington.

Again, leaving aside for a moment the strategic aspect of homeporting, I would characterize this facility-related request to be a quality of life current mission issue, in that we are taking the opportunity and dispersing our ships, taking them out of highly concentrated, highly impacted shore areas, and going into areas where we can build new barracks. We are building new maintenance facilities to improve the working conditions of our people.

Just as importantly, along the Gulf Coast and Everett, we are not going to have to build 7,000 units of family housing, roughly, that might otherwise have to be built if we were going to our traditional homeports such as San Diego and Norfolk.

The reason we're not doing that is because those areas are semi urban, in some cases rural, and our people can afford to rent and buy in those areas. That is a significant aspect of strategic homeporting that gets overlooked.

Overseas we have, in my view, a very modest budget. Again, the major part of it has to do with quality-of-life issues. In the Western Pacific, we only have two projects in fiscal year 1990. One is a 216-unit family housing project for the Philippines because there are no alternatives other than living in the adjacent community, which is, by any stretch of the imagination, below U.S. standards as far as habitability is concerned.

In Europe we have the major part of our request in two projects. One is a second phase of a relocation of our operational facilities and some quality-of-life facilities out of the famous Agnano crater, going to the Capodichino Airport. We are requesting $46 million to complete that project. The other is to build family housing at Keflavic, Iceland, again, a site where people either live on base or they don't bring their families at all. The community is not an alternative for sailors at that base.

Our request also contains a request for housing units in fiscal year 1990 of 795 at three locations in the United States and two locations overseas.

Madam Chairwoman, that's the overview of our budget. Again, I wish to emphasize that even though we attempted to come back with a number similar to what was appropriated and authorized by the Congress last year, having failed that, nonetheless, I think the emphasis is in the right place from the point of view of supporting our current plant and our personnel.

Thank you for your time.

PREPARED STATEMENT OF REAR ADMIRAL MONTOYA

MADAM CHAIRWOMAN, I AM REAR ADMIRAL B. F. MONTOYA, COMMANDER OF THE NAVAL FACILITIES ENGINEERING COMMAND. I APPRECIATE THE OPPORTUNITY TO REPRESENT THE SECRETARY OF THE NAVY AND THE CHIEF OF NAVAL OPERATIONS IN REVIEWING THE NAVY'S FISCAL YEAR 1990/1991 BUDGET SUBMISSION FOR MILITARY CONSTRUCTION (MILCON) WITH YOU. I WOULD LIKE TO CLARIFY BEFORE STARTING THAT ALL OF THE BUDGET FIGURES WHICH I WILL BE COVERING TODAY ARE FROM PRESIDENT REAGAN'S BUDGET SUBMISSION. BRIGADIER GENERAL M. P. DOWNS, UNITED STATES MARINE CORPS, WILL REVIEW THE MARINE CORPS PORTION OF THE REQUEST.

THE FISCAL YEAR 1990 AND 1991 BUDGETS ARE EACH SMALLER THAN THE FY 1989 SUBMISSION. THESE REDUCTIONS SHOULD NOT BE CONSTRUED AS BEING REFLECTIVE OF A DECLINING NEED FOR FACILITIES TO ACCOMMODATE NEW MISSIONS AND KEEP ABREAST OF OUR GROWING BACKLOG OF WORK REQUIRED TO MODERNIZE OUR SHORE ESTABLISHMENT. THEY DO, HOWEVER, REFLECT THE RESULTS OF DIFFICULT BUDGET DECISIONS. THE KEEN COMPETITION FOR THESE LIMITED FUNDS HAS HAD THE EFFECT OF PROVIDING A REQUEST THAT INCLUDES ONLY THE HIGHEST PRIORITY REQUIREMENTS NECESSARY TO ENSURE FLEET READINESS AND AN ADEQUATE QUALITY OF LIFE FOR OUR SAILORS AND MARINES. ANY REDUCTIONS TO THE NAVY MILITARY CONSTRUCTION PROGRAMS WOULD CLEARLY HAVE AN ADVERSE EFFECT ON OUR READINESS POSTURE AND OUR ABILITY TO EFFECTIVELY USE AND PROTECT OUR EXISTING ASSETS.

FACILITY MANAGEMENT

AS THE NAVY'S FACILITIES ENGINEER, I AM DEEPLY CONCERNED OVER OUR ABILITY TO PROVIDE ADEQUATE FACILITY SUPPORT TO THE OPERATING FORCES. BASED ON THE REALITY THAT, WITHIN EXISTING BUDGET LIMITATIONS, THE MILCON FUNDING LEVELS NECESSARY TO

TOTALLY REHABILITATE OR REPLACE OUR DETERIORATING SHORE FACILITIES ARE UNREACHABLE, WE HAVE INSTITUTED MANAGEMENT PROGRAMS WHICH WILL ENHANCE OUR CAPABILITY TO PROVIDE THE REQUIRED BASE SUPPORT FOR OUR FLEET. THESE PROGRAMS ENSURE THAT (1) SCARCE FUNDS ARE USED FOR ONLY THE MOST ESSENTIAL REQUIREMENTS; (2) PRUDENT USE IS MADE OF PUBLIC/PRIVATE VENTURES TO OBTAIN FACILITIES; (3) COST EFFECTIVE PROJECT EXECUTION IS EFFECTED.

SELECTING ESSENTIAL REQUIREMENTS

WE CANNOT AFFORD TO USE OUR LIMITED MILITARY CONSTRUCTION AND MAINTENANCE AND REPAIR FUNDING ON OTHER THAN ABSOLUTELY ESSENTIAL FACILITY REQUIREMENTS. TO ENSURE THAT WE ARE DOING THIS, WE HAVE AN ACTIVE SHORE BASE READINESS REPORTING SYSTEM THAT CATEGORIZES EACH OF OUR FACILITY ASSETS IN ACCORDANCE WITH HOW WELL THE FACILITY MEETS THE MISSION REQUIREMENTS. THE FACILITIES THAT DO NOT MEET, OR MARGINALLY MEET, MISSION REQUIREMENTS RECEIVE PRIORITY CONSIDERATION FOR FUNDING. THIS IS ACCOMPLISHED THROUGH OUR SHORE FACILITIES LIFE EXTENSION PROGRAM WHICH PLACES EMPHASIS ON FACILITY TYPES CRITICAL TO MISSION CAPABILITY AND/OR QUALITY OF LIFE. WITH THIS PROGRAM, WE ARE ABLE TO PRUDENTLY USE OUR LIMITED MILCON AND MAINTENANCE AND REPAIR FUNDS FOR ONLY THOSE PROJECTS THAT ARE REQUIRED TO ELIMINATE THE LOSS OF MISSION CAPABILITY, MITIGATE ENVIRONMENTAL PROBLEMS, OR MINIMIZE THE ADVERSE EFFECT ON THE QUALITY OF LIFE OF OUR PERSONNEL.

PUBLIC/PRIVATE VENTURES

IN THE PAST FEW YEARS WE HAVE SUCCESSFULLY USED THE FINANCIAL AND MANAGERIAL RESOURCES IN THE PRIVATE SECTOR TO CONSTRUCT AND OPERATE FACILITIES THAT WOULD OTHERWISE NOT HAVE BEEN AVAILABLE. WHILE ACTIVELY RESEARCHING THE FEASIBILITY OF EXPANDING OUR PUBLIC/PRIVATE VENTURE PROGRAM TO INCLUDE ADDITIONAL FACILITY TYPES, WE HAVE FOUND THAT THIS PROGRAM IS NOT THE PANACEA FOR ALL OUR FACILITY DEFICIENCIES, AND HAS THE DRAWBACK OF COMMITTING US TO FUTURE FUNDING REQUIREMENTS. HOWEVER, WHEN PRUDENTLY USED, THIS PROGRAM PROVIDES US CERTAIN FACILITIES IN A MORE TIMELY MANNER AT A LOWER LIFE CYCLE COST. WE HAVE MADE AWARDS FOR PUBLIC/PRIVATE VENTURE CONTRACTS FOR FAMILY HOUSING UNDER THE BUILD-TO-LEASE (SECTION 801) PROGRAM AT NORFOLK, VIRGINIA; MAYPORT, FLORIDA; EARLE, NEW JERSEY; AND TWENTYNINE PALMS, CALIFORNIA; FOR AN ADMINISTRATIVE OFFICE UNDER THE 10 USC 2809 LONG TERM FACILITIES CONTRACTS AUTHORITY AT MEMPHIS, TENNESSEE; AND FOR POWER PLANTS UNDER 10 USC 2394 AT CHINA LAKE, CALIFORNIA FOR GEOTHERMAL ELECTRICITY; AND SAN DIEGO, CALIFORNIA; CHARLESTON, SOUTH CAROLINA; AND NORFOLK, VIRGINIA FOR STEAM FROM CO-GENERATION FACILITIES.

OUR AWARD OF THE CONTRACT FOR THE ADMINISTRATIVE HEADQUARTERS BUILDING IN MEMPHIS IN NOVEMBER 1988 WAS THE FIRST AWARD UNDER 10 USC 2809. IN THIS "TEST" CONTRACT, PRIVATE CAPITAL IS PROVIDING US A COST EFFECTIVE HEADQUARTERS BUILDING YEARS IN ADVANCE OF WHAT WOULD BE POSSIBLE WITH MILITARY

CONSTRUCTION APPROPRIATIONS. ELECTRICITY SAVINGS TO THE NAVY FROM THE GEOTHERMAL PLANT THAT BEGAN OPERATION IN DECEMBER 1988 AT CHINA LAKE ARE EXPECTED TO BE $3 MILLION PER YEAR WITH REVENUES FROM EXCESS ELECTRICITY SALES OF ABOUT $1 MILLION EXPECTED THIS FISCAL YEAR AND INCREASING TO ABOUT $3.5 MILLION IN FISCAL YEAR 1991.

IN THE NEAR FUTURE, WE INTEND TO USE OUR FAMILY HOUSING 801 AUTHORITY BY AWARDING ADDITIONAL CONTRACTS AT STATEN ISLAND, NEW YORK; JACKSONVILLE, FLORIDA; NORTHERN VIRGINIA; SAN FRANCISCO, CALIFORNIA; POINT MUGU, CALIFORNIA; SAN DIEGO, CALIFORNIA; LONG BEACH, CALIFORNIA; AND FALLON, NEVADA; USE OUR 10 USC 2809 AUTHORITY BY AWARDING ADDITIONAL CONTRACTS WITH EMPHASIS BEING PLACED ON BACHELOR OFFICER QUARTERS; AND AWARD ADDITIONAL POWER PLANT CONTRACTS AT GREAT LAKES, ILLINOIS AND JACKSONVILLE, FLORIDA. IN ADDITION, WE EXPECT TO AWARD OUR FIRST SHARED ENERGY SAVINGS CONTRACTS THIS FISCAL YEAR AT LONG BEACH, CALIFORNIA; GREAT LAKES, ILLINOIS; AND SAN DIEGO, CALIFORNIA.

FINALLY, IN THE MORE UNIQUE AREAS OF PUBLIC/PRIVATE VENTURES, WE ARE WELL ALONG IN PLANNING FOR THE BROADWAY COMPLEX REDEVELOPMENT IN SAN DIEGO, CALIFORNIA AND THE LEASING ALTERNATIVES IN THE NATIONAL CAPITAL REGION. THE BROADWAY COMPLEX WILL PROVIDE US APPROXIMATELY 1 MILLION SQUARE FEET OF OFFICE SPACE AS AUTHORIZED UNDER P.L. 99-661 AND THE NATIONAL CAPITAL REGION LEASE PROPOSAL WILL PROVIDE US APPROXIMATELY 2.5 MILLION SQUARE FEET OF OFFICE SPACE AS AUTHORIZED UNDER P.L. 100-456. IN ADDITION, WE ARE PROCEEDING WITH INVESTIGATING

THE FEASIBILITY OF EXCHANGING LAND HOLDINGS FOR A CAUSEWAY TO FORD ISLAND TO BE BUILT BY THE STATE OF HAWAII AS NOTED IN THE FISCAL YEAR 1989 MILITARY CONSTRUCTION APPROPRIATIONS CONFERENCE REPORT. EACH OF THESE UNDERTAKINGS HAS THE POTENTIAL OF SAVING CONSIDERABLE AMOUNTS OF THE TAXPAYERS' DOLLARS AS WELL AS PROVIDING FACILITIES, SERVICES, AND/OR A PRODUCT IN A MORE TIMELY MANNER.

ALL OF THESE PUBLIC/PRIVATE VENTURES HAVE BEEN COOPERATIVE ENDEAVORS BETWEEN THE CONGRESS AND THE ADMINISTRATION. WE LOOK FORWARD TO CONTINUING THIS COOPERATIVE EFFORT AS AN ALTERNATIVE FOR PROVIDING NEEDED FACILITIES IN A TIME OF DECREASING BUDGETS.

COST EFFECTIVE PROJECT EXECUTION

TO OBTAIN THE MAXIMUM NUMBER OF ESSENTIAL FACILITIES WITHIN THE LIMITED RESOURCES AVAILABLE FOR MILITARY CONSTRUCTION, WE HAVE DEVELOPED ACTIVE PROGRAMS TO IMPROVE OUR ACQUISITION PROCESS, INCLUDING MORE COST EFFECTIVE DESIGN/CONSTRUCTION CONTRACTING METHODS AND IMPROVED PROCEDURES TO ENSURE TIMELY EXECUTION. WE ARE CONTINUING TO PRUDENTLY PACKAGE DESIGN AND CONSTRUCTION CONTRACTS WHEN IT IS COST EFFECTIVE TO DO SO. IN THIS BUDGET SUBMISSION, 59 PROJECTS ARE IN PACKAGED DESIGN CONTRACTS. SAVINGS ARE BEING REALIZED BY HAVING ONE FIRM DESIGN PROJECTS IN THE SAME AREA WHEN PROJECTS ARE FUNCTIONALLY INTERRELATED, HAVE REPETITIVE FEATURES OR INVOLVE COMMON FACILITIES THAT CAN BE SITE-ADAPTED. IN ADDITION WE HAVE 30 PROJECTS WHICH WE PLAN TO INCLUDE IN PACKAGE CONSTRUCTION CONTRACTS WHERE SAVINGS ARE EXPECTED

THROUGH THE REDUCTION OF CONTRACTOR MOBILIZATION, MATERIAL ACQUISITION AND OVERHEAD COSTS. THROUGH PRUDENT USE OF PACKAGING, WE HAVE NOT JEOPARDIZED OUR USE OF SMALL BUSINESSES. IN FISCAL YEAR 1988, 69 PERCENT OF THE $2.5 BILLION THAT WE AWARDED FOR CONSTRUCTION CONTRACTS WAS TO SMALL BUSINESS FIRMS. WE EXPECT TO DO EQUALLY AS WELL THIS FISCAL YEAR.

OTHER ALTERNATIVE DESIGN/CONSTRUCTION CONTRACTUAL METHODS WHICH WE ARE USING MORE FREQUENTLY TO REALIZE SAVINGS INCLUDE TURNKEY SOURCE SELECTION PROCEDURES, PERFORMANCE SPECIFICATIONS, AND STANDARD DESIGNS. A REAL SUCCESS STORY IN THIS AREA HAS BEEN IN THE USE OF OUR NEW FAMILY HOUSING ONE-STEP TURNKEY SOURCE SELECTION PROCEDURES WHICH WE INITIATED IN FY 1986. THESE NEW PROCEDURES EMPHASIZE SUBJECTIVE RATHER THAN OBJECTIVE EVALUATION, REQUIRING PROFESSIONAL JUDGEMENTS AND SOUND BUSINESS DECISIONS TO OBTAIN THE TECHNICALLY ACCEPTABLE PROPOSAL WITH THE LOWEST OVERALL COST TO THE GOVERNMENT. THIS PROCEDURE HAS PERMITTED US TO REDUCE THE ESTIMATED COSTS FOR THE FAMILY HOUSING UNITS IN THIS BUDGET REQUEST. WE ALSO PLAN TO INCREASE OUR USE OF TURNKEY SELECTION PROCEDURES FOR MILITARY CONSTRUCTION PROJECTS IN THIS BUDGET REQUEST. WE INTEND TO USE ONE-STEP TURNKEY SOURCE SELECTION PROCEDURES FOR 5 MILITARY CONSTRUCTION PROJECTS; COMPETITIVELY BID, ONE-STEP DESIGN/BUILD CONTRACTS USING PERFORMANCE SPECIFICATIONS FOR 8 PROJECTS AND COMPETITIVELY BID, TWO-STEP DESIGN/BUILD CONTRACTS FOR ONE PROJECT. FINALLY, IN THE AREA

OF STANDARD DESIGNS, WE CONTINUE TO REALIZE SAVINGS THROUGH SITE-ADAPTATION OF STANDARD DRAWINGS AND DESIGNS OF PREVIOUS PROJECTS AS WELL AS THE USE OF STANDARD FLOOR PLANS IN OVER 20 PERCENT OF OUR PROGRAM.

IN CONSTRUCTION, TIME MEANS MONEY; THEREFORE, WE CONTINUE TO PLACE EMPHASIS ON THE NEED FOR EARLY EXECUTION OF OUR PROGRAMS. NOTWITHSTANDING THE INCREASING NUMBER OF ENVIRONMENTAL, LEGAL AND DESIGN PROBLEMS INHERENT IN OUR AGING AND COMPLEX NAVY PLANT, WE HAD A VERY GOOD EXECUTION RATE IN FY 1988 OF 88 PERCENT AND EXPECT SIMILAR RESULTS THIS FISCAL YEAR. WE HAVE BEEN ABLE TO MAINTAIN THIS EXECUTION RATE WHILE SUBSTANTIALLY EXCEEDING TARGETS FOR SMALL BUSINESS CONTRACTING AND STAYING CLEAR OF PROCUREMENT IMPROPRIETIES. I WOULD LIKE TO THANK YOU AND YOUR COMMITTEE FOR YOUR SUPPORT IN THE RESTORATION OF SPLIT YEAR FUNDING. IT HAS SIGNIFICANTLY ENHANCED OUR FINANCIAL FLEXIBILITY IN MILCON EXECUTION, AND I ASSURE YOU THAT WE HAVE SET RIGID CONTROLS TO ENSURE THIS AUTHORITY IS NOT ABUSED. AN IMMEDIATE POSITIVE EFFECT WAS THAT IT ALLOWED US TO AWARD OVER $100 MILLION IN CONTRACTS IN FY 1988 THAT OTHERWISE WOULD NOT HAVE BEEN AWARDED. FINALLY, TO ENSURE TIMELY COMPLETION OF DESIGNS AND THEREFORE EARLY AWARD OF OUR CONSTRUCTION PROJECTS, WE HAVE ESTABLISHED A HIGH LEVEL TASK GROUP WHICH HAS AS ITS BASIC OBJECTIVE THE STREAMLINING OF OUR LENGTHY ARCHITECT-ENGINEER SELECTION AND DESIGN EXECUTION PROCESS. IF OUR STUDIES INDICATE THAT LEGISLATIVE RELIEF IS NECESSARY, WE WILL ADVISE THE CONGRESS AND SEEK THE APPROPRIATE LEGISLATION. WE WILL CONTINUE TO PURSUE THIS AND OTHER INITIATIVES TO PROVIDE THE FLEET THE MOST COST-EFFECTIVE FACILITIES IN A TIMELY MANNER.

JAPANESE FACILITIES IMPROVEMENT PROGRAM

AN INCREASINGLY SUCCESSFUL AVENUE BY WHICH WE HAVE BEEN OBTAINING ESSENTIAL FACILITIES WITHOUT USING MILITARY CONSTRUCTION FUNDING IS THE JAPANESE FACILITY IMPROVEMENT PROGRAM (JFIP). THROUGH THIS PROGRAM, THE GOVERNMENT OF JAPAN HAS FUNDED APPROXIMATELY $1.1 BILLION FOR NAVY AND MARINE CORPS FACILITIES DURING FISCAL YEARS 1979 THROUGH 1988. THE PROPOSED FISCAL YEARS 1989 AND 1990 PROGRAMS WILL PROVIDE AN ADDITIONAL $500 MILLION. FROM A FACILITIES SUPPORT POINT OF VIEW, WE SEE THE JFIP AS A SUCCESS STORY FOR OUR PEOPLE ASSIGNED IN JAPAN. BECAUSE OF THIS STRONG SUPPORT, WE HAVE ROUTINELY PROGRAMMED ONLY THREE OF FOUR PROJECTS PER YEAR THAT WERE CONSIDERED INELIGIBLE FOR JFIP FUNDING.

MILITARY CONSTRUCTION

THE FY 1990 AND 1991 BUDGET SUBMISSIONS FOR THE NAVY AND MARINE CORPS MILITARY CONSTRUCTION REQUEST ARE $1.14 BILLION AND $1.31 BILLION, RESPECTIVELY. THE REQUESTS REPRESENT BALANCED PROGRAMS PROVIDING NECESSARY FACILITIES IN SUPPORT OF BOTH OUR CURRENT AND NEW MISSIONS. ALTHOUGH THE PROGRAMS ARE LESS THAN LAST YEAR, WE HAVE BEEN ABLE TO PLACE INCREASED EMPHASIS ON CURRENT MISSION REQUIREMENTS. WE HAVE INCLUDED IN THIS CATEGORY 67 PERCENT OF THE FY 1990 MILITARY CONSTRUCTION PROJECTS ($685 MILLION) AND 66 PERCENT OF THE FY 1991 MILITARY CONSTRUCTION PROJECTS ($796 MILLION) WHILE ONLY 36 PERCENT OF THE FY 1989 MILITARY CONSTRUCTION PROJECTS ($518 MILLION) WAS FOR CURRENT MISSION REQUIREMENTS. WITH THIS CONTINUED EMPHASIS ON CURRENT MISSIONS, WE ARE TAKING A POSITIVE STEP TOWARD THE REPLACEMENT AND MODERNIZATION OF OUR EXISTING FACILITIES, AND THUS FOCUSING UPON OUR MOST PRESSING PROBLEMS.

QUALITY OF LIFE

WE CONTINUE TO PLACE EMPHASIS ON THE QUALITY OF LIFE OF OUR PEOPLE WITH $358 MILLION OF THE REQUEST BEING FOR TROOP HOUSING AND COMMUNITY FACILITIES. OF THIS AMOUNT, $309 MILLION WILL PROVIDE 9,948 NEW AND MODERNIZED SPACES AND MESS FACILITIES FOR OUR SAILORS AND MARINES. IN THE FISCAL YEAR 1990 PROGRAM WE ARE ALSO TAKING A MAJOR STEP IN PROVIDING FOR A CRITICAL SHORTAGE IN ADEQUATE CHILD DEVELOPMENT CENTERS THROUGHOUT OUR SHORE ESTABLISHMENT. THIRTEEN CENTERS FOR $15.8 MILLION WILL PROVIDE FACILITIES AT ACTIVITIES WITH THE MOST URGENT NEED. I SOLICIT YOUR SUPPORT FOR THESE ESSENTIAL FACILITIES. FINALLY, ALTHOUGH QUALITY OF LIFE IS USUALLY ONLY RELATED TO HOUSING AND MORALE, WELFARE AND RECREATION TYPE FACILITIES, WE CONTINUE TO BELIEVE THAT THE MAJORITY OF OUR MILITARY CONSTRUCTION PROJECTS WILL DIRECTLY OR INDIRECTLY IMPROVE THE QUALITY OF LIFE OF OUR PERSONNEL IN THE WORKPLACE.

STRATEGIC HOMEPORTING

THE NAVY HAS MADE SIGNIFICANT PROGRESS IN EXECUTING ITS STRATEGIC HOMEPORTING PROGRAM, AND THIS BIENNIAL BUDGET REQUESTS FUNDING CONSISTENT WITH PREVIOUS CONGRESSIONAL DIRECTION AND CURRENT FLEET REQUIREMENTS. OUR FY 1990 REQUEST TOTALS $84.8 MILLION AND INCLUDES $30.9 MILLION FOR NAVAL STATION STATEN ISLAND, NEW YORK; $33.6 MILLION FOR THE GULF COAST; AND $20.3 MILLION FOR NAVAL STATION EVERETT, WASHINGTON. ADDITIONALLY, THE DEFENSE BUDGET INCLUDES $7.7 MILLION FOR CLINICS AT THE GULF COAST HOMEPORTS OF PASCAGOULA, MISSISSIPPI; MOBILE, ALABAMA; AND INGLESIDE, TEXAS. OUR FY

1991 REQUEST TOTALS $31.5 AND INCLUDES $22.2 MILLION FOR EVERETT AND $9.3 MILLION FOR LONG BEACH, CALIFORNIA ALSO, OUR FY 1991 HOUSING BUDGET INCLUDES $19.6 MILLION FOR 150 UNITS OF FAMILY HOUSING FOR STATEN ISLAND.

STRATEGIC HOMEPORTING FUNDING THROUGH FY 1989 TOTALS $548.3 MILLION WITH AN ADDITIONAL $40.4 MILLION APPROVED FOR FAMILY HOUSING AT STATEN ISLAND. OUR BUDGET REQUEST, INCLUDING THE GULF COAST CLINICS, RAISES THIS TOTAL TO $672.2 MILLION THROUGH FY 1991, PLUS HOUSING CONSTRUCTION OF $60 MILLION. THIS BUDGET DOES NOT REFLECT THE BASE REALIGNMENT AND CLOSURE COMMISSION'S RECOMMENDATION TO CLOSE THE NEW HOMEPORTS AT LAKE CHARLES, LOUISIANA AND GALVESTON, TEXAS. NOR DOES IT ADDRESS THE FY 1989 CONGRESSIONAL DECISION TO AUTHORIZE, BUT NOT APPROPRIATE, $8.2 MILLION FOR PASCAGOULA PROJECTS. IN EVERY OTHER CASE, OUR REQUEST REFLECTS MINIMUM FUNDING REQUIRED TO SUPPORT COST EFFECTIVE EXECUTION PLANS, AND SHOULD BE FULLY SUPPORTED TO AVOID CONSTRUCTION COST INCREASES AND OPERATIONAL IMPACTS THAT WOULD ACCOMPANY DELAYED ACTIVATION OF THE NEW HOMEPORTS.

AT STATEN ISLAND, DREDGING IS FINISHED AND PIER CONSTRUCTION IS OVER 80 PERCENT COMPLETE. A SHORE INTERMEDIATE MAINTENANCE ACTIVITY IS NEARING THE MIDPOINT OF CONSTRUCTION, WHILE THE BEQ AND MESS HALL ARE ALMOST 20 PERCENT COMPLETE. CONSTRUCTION HAS BEGUN ON A UTILITY PLANT, AND 400 UNITS OF FAMILY HOUSING ARE SCHEDULED TO BE COMPLETED BY SUMMER OF 1990. OUR FY 1990 REQUEST INCLUDES $17 MILLION TO FUND PRIOR YEAR CUTS IN UTILITY AND SITE IMPROVEMENTS, AND NEEDS TO BE

FULLY SUPPORTED THIS YEAR TO COMPLETE AND ACTIVATE THE NEW HOMEPORT ON SCHEDULE.

OUR FY 1990 REQUEST INCLUDES THE FINAL INCREMENT OF FUNDING FOR THE GULF COAST HOMEPORTS, WITH THE EXCEPTION OF THE $8.2 MILLION UNDERFUNDING PROBLEM AT PASCAGOULA THAT I PREVIOUSLY MENTIONED. CONSTRUCTION IS PROCEEDING ON SCHEDULE AT MOBILE, PASCAGOULA AND INGLESIDE, AND DREDGING AND WHARF RENOVATION WILL COMMENCE THIS SPRING AT PENSACOLA, FLORIDA. IN VIEW OF THE BASE CLOSURE COMMISSION'S RECOMMENDATION, WE ARE DISCUSSING CLOSURE PLANS WITH THE AFFECTED COMMUNITIES OF LAKE CHARLES AND GALVESTON TAKING STEPS TO TERMINATE ACTIVE CONSTRUCTION CONTRACTS, AND REVIEWING PLANS FOR INGLESIDE.

AT EVERETT, I AM PLEASED TO REPORT THAT WE HAVE CONCLUDED A LANDMARK SETTLEMENT AGREEMENT WITH THE ENVIRONMENTAL GROUPS WHICH HAVE PREVIOUSLY OPPOSED OUR DREDGE DISPOSAL PLANS IN FEDERAL AND STATE COURT. WE HAVE MODIFIED OUR DREDGING AND CONSTRUCTION PLANS TO CONFORM TO THE COURT APPROVED SETTLEMENT AGREEMENT, AND PLAN TO AWARD A CONTRACT FOR DREDGING AND CARRIER PIER CONSTRUCTION THIS SUMMER. THE NEW, AGREED UPON PLAN DOES NOT INCREASE OVERALL CONSTRUCTION COST, AND SUPPORTS ACTIVATION OF THE CARRIER PIER IN 1992, CONSISTENT WITH OPERATIONAL REQUIREMENTS. OUR FY 1990 REQUEST PROVIDES THE FINAL INCREMENT OF FUNDS FOR THE PREVIOUSLY NEGOTIATED MULTI-YEAR LAND PURCHASE, AND FUNDS CRITICAL UTILITY SYSTEMS

NECESSARY TO COMPLETE THE CARRIER PIER. OUR FY 1991 BUDGET INCLUDES FUNDING FOR THE HIGHEST PRIORITY VERTICAL FACILITIES REQUIRED TO SUPPORT THE CARRIER. THESE REQUESTS REFLECT OUR CURRENT CONSTRUCTION AND OPERATIONAL SCHEDULES, AND FULL FUNDING IS NECESSARY TO AVOID ANY ADDITIONAL DELAYS IN ACTIVATION OF THE HOMEPORT. DESPITE ITS TROUBLED PAST, EVERETT MAY ULTIMATELY BE VIEWED AS AN ENVIRONMENTAL SUCCESS STORY - A STORY IN WHICH NATIONAL SECURITY AND ENVIRONMENTAL PROTECTION GOALS COULD BOTH BE REALIZED THROUGH UNDERSTANDING, COOPERATION, AND TECHNOLOGICAL ADVANCEMENT. WITH THE COOPERATION OF OFFICIALS OF THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY AND THE SIERRA CLUB, WE WERE ABLE TO DEVELOP A WORKABLE APPROACH THAT BALANCED TOUGH ENVIRONMENTAL CONTROLS WITH THE STRATEGIC NECESSITY TO CONSTRUCT A HOMEPORT FOR A CARRIER BATTLEGROUP.

OUR FY 1990 BUDGET DOES NOT INCLUDE CONSTRUCTION FUNDING FOR A WEST COAST BATTLESHIP SURFACE ACTION GROUP (BBSAG). OUR FY 1991 BUDGET DOES INCLUDE FUNDING FOR PREVIOUSLY DEFERRED HOMEPORTING PROJECTS AT LONG BEACH. PLANNING REQUIRED TO IMPLEMENT THE BASE CLOSURE COMMISSION'S RECOMMENDATION REGARDING HUNTERS POINT IS CURRENTLY UNDERWAY, AND CONSTRUCTION REQUIRED FOR THE BBSAG WILL BE ADDRESSED IN CONJUNCTION WITH OTHER BASE CLOSURE REQUIREMENTS.

WHEN ASKED IF THE NAVY STILL REQUIRES 600 SHIPS TO MEET ITS WORLDWIDE COMMITMENTS, THE CHIEF OF NAVAL OPERATIONS RECENTLY RESPONDED BY STATING THAT, "THE PHILOSOPHY BEHIND THE ESTABLISHMENT OF THE REQUIREMENTS WHICH LED TO THE GOAL OF THE STATED 600-SHIP NAVY REALLY HAS NOT CHANGED." IN OTHER STATEMENTS, HE HAS POINTED OUT THAT WE ARE STILL ON TRACK TO ACHIEVE THE 15 DEPLOYABLE CARRIER BATTLE GROUPS AND THAT WE HAVE COMMISSIONED WISCONSIN (BB64), THE LAST OF THE FOUR BATTLESHIPS. OUR BUDGET REQUEST SUPPORTS OVER 570 DEPLOYABLE BATTLE FORCE SHIPS. AS THE NAVY'S FACILITY ENGINEER, I WOULD LIKE TO EMPHASIZE THAT WE MUST COMPLETE THE STRATEGIC HOMEPORTING PROGRAM ON SCHEDULE TO ADEQUATELY BERTH AND PROPERLY SUPPORT THESE MODERN, HIGHLY CAPABLE BATTLE FORCE SHIPS AND THE DEDICATED, PROFESSIONAL CREWS THAT MAN THEM. AS I STATED LAST YEAR, THE STRATEGIC HOMEPORTING PROGRAM DIRECTLY ADDRESSES ESSENTIAL SUPPORT REQUIREMENTS FOR OUR BATTLESHIPS AND CARRIERS AND THEIR SUPPORTING BATTLEGROUPS. DELAYS IN REACHING THE GOAL OF 600 SHIPS AND OTHER RELATED ADJUSTMENTS IN FORCE STRUCTURE DO NOT ALTER OUR NATION'S ROLE AND RESPONSIBILITY AS A MARITIME POWER AND ITS UNDIMINISHED NEED TO STRENGTHEN ITS MARITIME INFRASTRUCTURE. WITH THIS IN MIND, I ONCE AGAIN SOLICIT YOUR FULL SUPPORT FOR HOMEPORTING CONSTRUCTION INCLUDED IN THIS BUDGET.

NAPLES RELOCATION

NEXT, I WOULD LIKE TO UPDATE YOU ON THE STATUS OF OUR RELOCATION FROM THE LEASED BUILDINGS IN NAPLES, ITALY. LAST YEAR, THE CONGRESS APPROVED OUR LESS COSTLY ALTERNATIVE OF

RELOCATING TO THE CAPODICHINO AIRPORT SITE THOSE FUNCTIONS BEING CARRIED OUT IN THE HIGH RISE BUILDINGS MOST ENDANGERED BY THE SEISMIC THREAT IN AGNANO. THE FIRST INCREMENT OF FUNDING IN THE AMOUNT OF $21.6 MILLION WAS APPROPRIATED FOR A BEQ, PARKING GARAGE, FIRE STATION, SECURITY BUILDING, UTILITIES AND SITE IMPROVEMENTS. THE $46.6 MILLION IN THE FY 1990 BUDGET REQUEST WILL COMPLETE THE NAVY'S FUNDING FOR THE CAPODICHINO ALTERNATIVE, PROVIDING A COMMAND, CONTROL, COMMUNICATIONS AND INTELLIGENCE BUILDING; ADMINISTRATION BUILDING; MARINE CORPS SUPPORT FACILITY; PARKING GARAGE; PASS AND IDENTIFICATION FACILITIES; UTILITIES AND ROADS. THE REMAINING FACILITY TO BE RELOCATED UNDER THE CAPODICHINO ALTERNATIVE, THE HOSPITAL, IS EXPECTED TO BE REQUESTED IN A SUBSEQUENT BUDGET IN THE DEFENSE AGENCIES' PROGRAM.

COMPLEMENTING THE RELOCATION TO CAPODICHINO, WE ARE PREPARING A DEVELOPMENT PLAN TO ACQUIRE, THROUGH LONG-TERM LEASES, COMMUNITY FACILITIES AT A SUPPORT SITE COMPLEX. THIS SUPPORT FACILITY WOULD CONTAIN THE REPLACEMENT FACILITIES FOR THE AGNANO COMPOUND THAT ARE IN LOW RISE BUILDINGS THAT ARE LESS SUSCEPTIBLE TO EARTHQUAKE DAMAGE AND WILL NOT BE RELOCATED TO THE CAPODICHINO AIRPORT. I REQUEST YOUR CONTINUED SUPPORT OF THE VITAL RELOCATION TO CAPODICHINO BY APPROVING THE FY 1990 REQUEST FOR $46.6 MILLION.

NAVY'S FUTURE

IF WE ARE TO ADEQUATELY PREPARE THE BEST AND BRIGHTEST FOR THEIR DEMANDING ROLES IN OUR INCREASINGLY COMPLEX NAVY, WE MUST PROVIDE THEM AN ACADEMIC AND TECHNOLOGICAL ENVIRONMENT

COMPATIBLE WITH OUR SISTER SERVICES AND THE LEADING PUBLIC AND PRIVATE INSTITUTIONS. WE HAVE THEREFORE INCLUDED IN OUR REQUEST PROJECTS AT THE NAVAL ACADEMY ANNAPOLIS, MARYLAND; NAVAL POSTGRADUATE SCHOOL MONTEREY, CALIFORNIA; AND RESEARCH AND DEVELOPMENT ACTIVITIES THROUGHOUT THE COUNTRY THAT WILL ENHANCE ACADEMIC AND TECHNOLOGICAL EXCELLENCE ESSENTIAL TO THE FUTURE OF THE NAVY.

FIRST, AT THE U.S. NAVAL ACADEMY, WE ARE REQUESTING $48 MILLION IN AUTHORIZATION IN FY 1990 AND $24 MILLION IN APPROPRIATIONS IN BOTH FY 1990 AND 1991 TO PROVIDE ADDITIONAL DORMITORY ROOMS THAT WILL ACCOMMODATE 924 MIDSHIPMEN. THIS EXPANSION TO BANCROFT HALL WILL ALLEVIATE A SEVERE OVERCROWDING SITUATION WHICH THREATENS TO IMPEDE THE HIGH LEVEL OF ACADEMIC EXCELLENCE NECESSARY FOR TOMORROW'S LEADERS OF OUR NAVY. THE DEFICIENCY IN SPACE HAS BEEN INCREASING FOR THE PAST TWENTY YEARS AND HAS REACHED A LEVEL WHERE IMMEDIATE CORRECTIVE ACTION IS NECESSARY.

SIMILARLY, OUR DEFICIENCIES IN ACADEMIC SPACES AT OUR NAVAL POSTGRADUATE SCHOOL AT MONTEREY, CALIFORNIA HAVE BEEN GROWING FOR THE PAST TWENTY YEARS WITHOUT CORRECTIVE ACTION. THEY TOO HAVE REACHED A LEVEL WHERE IMMEDIATE RELIEF IS ESSENTIAL IF WE ARE TO PROVIDE THE HIGH LEVEL OF TECHNICAL AND PROFESSIONAL INSTRUCTION NECESSARY TO MEET THE NEEDS OF THE NAVY. WE HAVE THEREFORE REQUESTED $16.7 MILLION IN FY 1990 TO PROVIDE FOR THE TWO MOST URGENT REQUIREMENTS AND $16.1 MILLION IN FY 1991 FOR FIVE LESS URGENT BUT ESSENTIAL FACILITIES.

FINALLY, SUPPORTING THE FUTURE OF OUR COMPLEX SHIPS AND WEAPONS SYSTEMS ESSENTIAL TO OUR CONTINUED MARITIME SUPERIORITY, WE HAVE REQUESTED $78.7 MILLION IN FY 1990 AND $99.6 MILLION IN FY 1991 FOR 28 PROJECTS SUPPORTING RESEARCH AND DEVELOPMENT EFFORTS. YOUR SUPPORT OF THESE PROJECTS WILL ENSURE THAT THE NAVY OF THE FUTURE WILL BE READY AND ABLE TO CARRY OUT ITS MISSION IN OUR COMPLEX AND SOPHISTICATED WORLD.

CONCLUSION

MADAM CHAIRWOMAN, WE HAVE PRESENTED YOU A MODEST BUT WELL STRUCTURED BUDGET REQUEST. IT PROVIDES FOR THE ORDERLY COMPLETION OF NEW MISSION INVESTMENTS SUCH AS THOSE IN SUPPORT OF THE TRIDENT SUBMARINE AT KINGS BAY, GEORGIA; STRATEGIC HOMEPORTING AND RELOCATABLE OVER-THE-HORIZON RADAR WHILE INCREASING THE FUNDING LEVELS SUPPORTING OUR CURRENT MISSIONS AND THE REVITALIZATION OF OUR AGING PLANT. WE HAVE NOT NEGLECTED THE NECESSARY FACILITIES THAT DIRECTLY ENHANCE THE QUALITY OF LIFE OF OUR PEOPLE OR THOSE FACILITIES ESSENTIAL TO THE FUTURE OF OUR NAVY. IN ADDITION, WE HAVE TAKEN POSITIVE STEPS TO OPTIMIZE THE MANAGEMENT OF OUR FACILITIES TO FURTHER ENHANCE THE BASE SUPPORT FOR OUR OPERATING FORCES. MADAM CHAIRWOMAN, WE SOLICIT YOUR FAVORABLE SUPPORT OF THE REQUEST.

Mrs. SCHROEDER. Thank you very much, we appreciate that.

Let's move on to General Downs. The floor is yours.

STATEMENT OF BRIG. GEN. MICHAEL P. DOWNS, UNITED STATES MARINE CORPS, DIRECTOR, FACILITIES AND SERVICES DIVISION, OFFICE OF THE DEPUTY CHIEF OF STAFF (INSTALLATIONS AND LOGISTICS, HEADQUARTERS, U.S. MARINE CORPS

General DOWNS. Good morning, Madam Chairwoman and members of the subcommittee.

Thank you for the opportunity to appear before you today to present the Marine Corps fiscal year 1990 and fiscal year 1991 military construction program of $169 million and $162 million, respectively.

Unfortunately, this year we are unable to sustain our trend of increasing funding for our MilCon program. This decrease should not be construed, however, as a lack of understanding on the part of the Marine Corps as to the relationship of these programs to readiness, nor a weakening of our commitment to replace and upgrade our physical plant. Rather, it can be principally attributed to the downward pressures on the Marine Corps budget brought about by significant general reductions that started with the budget summit of December 1987. We do, however, plan to halt this decline in fiscal year 1992 and resume the upward trend.

Despite its size, the Marine Corps military construction program before you does provide a balanced program which we believe represents what is most essential to enable us to attract and retain quality Marines and to maintain a high level of operational readiness and warfighting capability.

We ask your favorable consideration of our request and I would be happy to respond to questions.

PREPARED STATEMENT OF GENERAL DOWNS

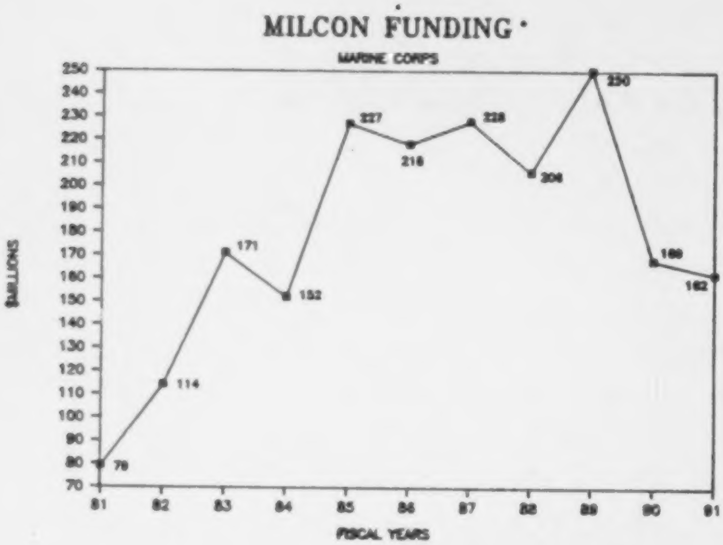
MADAM CHAIRWOMAN AND MEMBERS OF THE COMMITTEE:

I AM BRIGADIER GENERAL MICHAEL P. DOWNS, DIRECTOR, FACILITIES AND SERVICES DIVISION, INSTALLATIONS AND LOGISTICS DEPARTMENT, HEADQUARTERS MARINE CORPS. ONCE AGAIN, I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU TO PRESENT THE MARINE CORPS MILITARY CONSTRUCTION PROGRAM FOR FISCAL YEARS 1990 AND 1991. OUR MILITARY CONSTRUCTION REQUEST FOR FISCAL YEARS 1990 AND 1991 OF $169 MILLION AND $162 MILLION RESPECTIVELY, PROVIDES THE PROJECTS NEEDED TO RESPOND TO THE MARINE CORPS HIGHEST PRIORITIES OF IMPROVING READINESS AND SUSTAINING OF OUR FORCES. THE REQUEST CONTINUES EFFORTS INITIATED IN PRIOR YEARS FOR BOTH NEW AND EXISTING MISSIONS WITH EMPHASIS BEING PLACED ON PROVIDING FACILITIES THAT PROMOTE PERSONNEL AND MATERIEL READINESS, ENHANCE PRODUCTIVITY, IMPROVE MORALE AND WELFARE AND PROVIDE THE QUALITY OF LIFE IMPROVEMENTS NECESSARY TO ATTRACT AND RETAIN DEDICATED MEN AND WOMEN FOR THE MARINE CORPS. WITH YOUR SUPPORT, WE HAVE MADE SIGNIFICANT IMPROVEMENTS. I WOULD, HOWEVER, BE REMISS IF I FAILED TO POINT OUT THAT WE ARE A LONG WAY FROM ACHIEVING OUR ULTIMATE GOAL - EXCELLENT FACILITIES TO SUPPORT ALL OUR MISSION REQUIREMENTS.

YOUR PAST SUPPORT FOR OUR PROGRAM HAS BEEN SUPERB AND WE ARE MOST GRATEFUL. IT REFLECTS A KEEN APPRECIATION OF THE RELATIONSHIP BETWEEN EXCELLENT FACILITIES AND WARFIGHTING CAPABILITY. MODERN ADEQUATE FACILITIES HAVE CONTRIBUTED SIGNIFICANTLY TO IMPROVED MISSION CAPABILITY, PRODUCTIVITY, READINESS AND SUSTAINABILITY AND HAVE HAD A VISIBLE IMPACT ON MORALE AND RETENTION.

A YEAR AGO I WAS VERY PLEASED TO REPORT TO YOU THAT THE MARINE CORPS WAS ONCE AGAIN INCREASING THE PERCENTAGE OF OUR FUNDS DEDICATED TO MILITARY CONSTRUCTION. CHART 1 REFLECTS OUR PROGRAM SINCE 1982 WHEN THE MARINE CORPS ASSUMED RESOURCE SPONSORSHIP FOR MILITARY CONSTRUCTION.

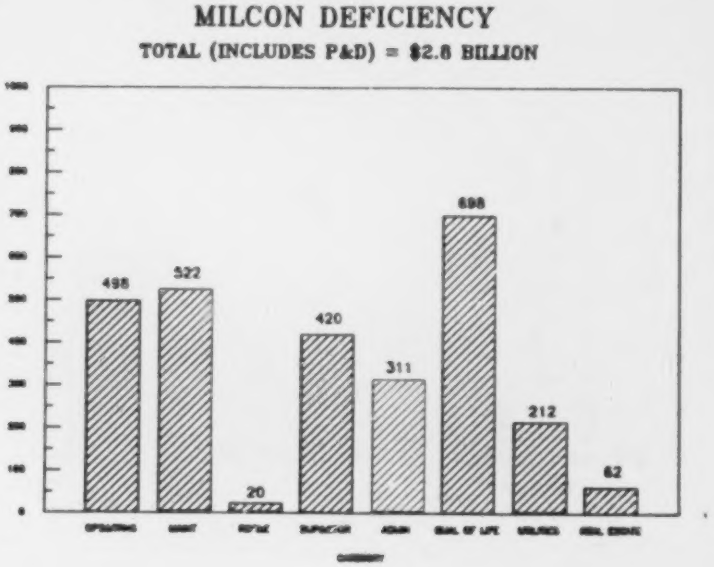
CHART 1



UNFORTUNATELY, THIS YEAR THAT UPWARD TREND CANNOT CONTINUE. OUR FISCAL YEAR 1990 MILITARY CONSTRUCTION REQUEST IS 32.4% LESS THAN THE REQUEST SUBMITTED AND APPROVED FOR FISCAL YEAR 1989 AND OUR FISCAL YEAR 1991 REQUEST DECREASES ANOTHER 4.1%. HOWEVER, THIS DECREASE SHOULD NOT BE CONSTRUED AS A WEAKENING OF OUR COMMITMENT TO REPLACE AND UPGRADE OUR PHYSICAL PLANT, BUT RATHER CAN BE PRINCIPALLY ATTRIBUTED

TO THE DOWNWARD PRESSURES ON THE MARINE CORPS BUDGET BROUGHT ABOUT BY GENERAL BUDGET REDUCTIONS. WE PLAN TO HALT THIS DECLINE IN FISCAL YEAR 1992 AND RESUME AN UPWARD TREND. AS A PRODUCT OF CURRENT BUDGET CONSTRAINTS, BETTER ADDRESSAL OF OUR $2.8 BILLION FACILITIES BACKLOG, REFLECTED ON CHART 2, MUST WAIT FOR BETTER TIMES.

CHART 2

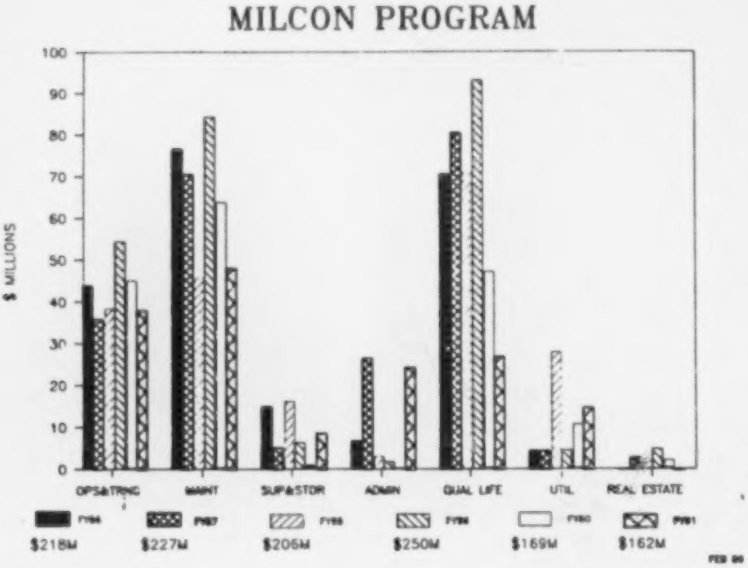

MILCON DEFICIENCY

TOTAL (INCLUDES P&D) = $2.8 BILLION

DESPITE ITS SIZE, THE MARINE CORPS MILITARY CONSTRUCTION PROGRAM CONTINUES TO BE AN INTEGRAL ELEMENT OF OUR COMBINED ARMS FORCES MODERNIZATION AND THE MARINE CORPS REMAINS COMMITTED TO PROVIDING THE EXCELLENT FACILITIES NEEDED TO MEET ALL OUR REQUIREMENTS.

THE MARINE CORPS CONSTRUCTION REQUESTS OVER THE PAST FEW YEARS HAVE PROVIDED BALANCED PROGRAMS THAT HAVE BEEN APPLIED AGAINST NEEDED FACILITY IMPROVEMENTS IN OPERATIONS AND TRAINING, MAINTENANCE, SUPPLY AND STORAGE, ADMINISTRATION, QUALITY OF LIFE, AND UTILITY SYSTEM UPGRADES AS SHOWN ON CHART 3.

CHART 3

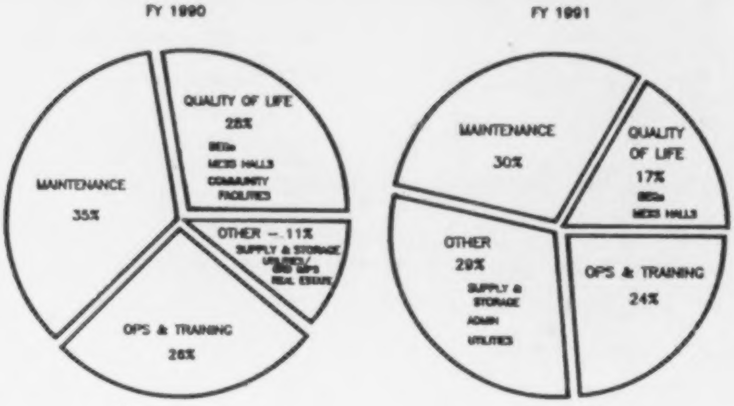


IN FISCAL YEARS 1990 AND 1991, MILITARY CONSTRUCTION RESOURCES CONTINUE TO BE ALLOCATED TO SUPPORT THE PROCUREMENT OF NEW WEAPONS SYSTEMS AND EQUIPMENT WHICH WAS BEGUN IN THE EARLY 80'S; TO PROPERLY HOUSE OUR ENLISTED MARINES; AND TO REPLACE THOSE AGING FACILITIES WHICH ARE BEYOND PRUDENT ECONOMIC REPAIR. THIS BALANCED PROGRAM

IS CONSISTENT WITH OUR PAST MANAGEMENT STRATEGY AND IS IN RESPONSE TO THE MARINE CORPS' MOST URGENT NEEDS, AS REFLECTED ON CHART 4.

CHART 4

MARINE CORPS
MILITARY CONSTRUCTION (MILCON) DISTRIBUTION



OUR FISCAL YEARS 1990 AND 1991 REQUESTS PLACE LESS EMPHASIS ON QUALITY-OF-LIFE PROJECTS BY NECESSITY. THE MARINE CORPS HAS DEDICATED 37 PERCENT OF ITS MILITARY CONSTRUCTION BUDGET ($616 MILLION) IN FISCAL YEARS 1980 TO 1989 FOR THE CONSTRUCTION OF 38,253 BACHELOR ENLISTED QUARTERS (BEQ) SPACES, WHICH HAS GONE A LONG WAY TOWARD COMING TO GRIPS WITH OUR DEFICIT. OUR FISCAL YEAR 1990 REQUEST INCLUDES $37.6 MILLION FOR BEQ PROJECTS AT TWO MARINE CORPS ACTIVITIES PROVIDING MODERN LIVING SPACES FOR 1630 ENLISTED MARINES, AND $7.9 MILLION FOR A MESSHALL AND A MESSHALL ADDITION. IN FISCAL YEAR 1991, $20.1 MILLION IS REQUESTED FOR

834 LIVING SPACES, AND $7.0 MILLION FOR A MESSHALL AND A MUCH NEEDED CLOTHING ISSUE FACILITY FOR ONE OF OUR RECRUIT DEPOTS. ALSO INCLUDED IN OUR FISCAL YEAR 1990 REQUEST IS $1.5 MILLION FOR TWO CHILD DEVELOPMENT CENTERS. ALL THESE PROJECTS ARE AN INDISPENSABLE INVESTMENT IN THE FUTURE AND THEY REPRESENT, IN A TANGIBLE WAY, OUR CONTINUED COMMITMENT TO IMPROVE THE QUALITY OF LIFE FOR OUR MARINES AND THEIR FAMILIES. OUR PROPOSED PROGRAMS WILL ALSO ADDRESS OUR MOST URGENT OPERATIONAL REQUIREMENTS AND WILL HELP US TO MAINTAIN BOTH PERSONNEL AND MATERIAL READINESS.

THE INTRODUCTION OF NEW WEAPONS SYSTEMS REQUIRES SUPPORT FACILITIES TO EFFICIENTLY MAINTAIN AND CONSERVE THESE ASSETS. OUR FISCAL YEAR 1990 AND 1991 REQUESTS CONTINUE TO PROVIDE THIS SUPPORT. OUR 1990 REQUEST INCLUDES $58.7 MILLION FOR MAINTENANCE FACILITIES, WHICH COMPRISES THE LARGEST PORTION OF OUR CONSTRUCTION PROGRAM AND CONSISTS OF TWELVE PROJECTS AT NINE MARINE CORPS ACTIVITIES. OUR 1991 REQUEST INCLUDES SEVEN MAINTENANCE RELATED PROJECTS TOTALING $51.3 MILLION AT SEVEN MARINE CORPS ACTIVITIES.

THE AVIATION READINESS PROJECTS FOR FISCAL YEARS 1990 AND 1991 INCLUDE: MAINTENANCE HANGAR MODIFICATIONS; HANGAR ADDITIONS; A HANGAR CONVERSION; A WEIGHT HANDLING EQUIPMENT SHOP; AN AVIATION ARMAMENT SHOP; AND POWER CHECK PADS IN SUPPORT OF THE F/A-18 AND AV-8B.

MAINTENANCE FACILITIES ARE ALSO REQUESTED TO SUPPORT UNITS AT OUR MAJOR GROUND BASES INCLUDING THREE DEPOT-LEVEL MAINTENANCE AND TEST FACILITIES, FOUR COMMUNICATIONS - ELECTRONIC MAINTENANCE FACILITIES, TWO TACTICAL VEHICLE MAINTENANCE SHOPS, AS WELL AS FOUR OTHER MAINTENANCE COMPLEXES.

OUR 1990 AND 1991 REQUESTS AGAIN EMPHASIZE OUR COMMITMENT TO IMPROVING THE OPERATIONAL AND TRAINING ENVIRONMENT FOR OUR MARINES. WE ARE REQUESTING $83.1 MILLION FOR THE CONSTRUCTION OF OPERATIONAL AND TRAINING PROJECTS AT 12 MARINE CORPS ACTIVITIES. THESE PROJECTS, ESSENTIAL TO OUR TRAINING AND READINESS, WILL PROVIDE FACILITIES SUCH AS: FLIGHT SIMULATOR FACILITIES; TACTICAL SUPPORT VAN PADS; TRAINING RANGE IMPROVEMENTS; TRAINING AND INSTRUCTION FACILITIES; A SPECIAL COMPARTMENTED INFORMATION FACILITY; AND WEAPONS ASSEMBLY AND AIRCRAFT PARKING AREAS.

LASTLY, IS A REQUEST FOR $58.8 MILLION WHICH WILL PROVIDE: WAREHOUSES, AND A TACTICAL COMPUTER SUPPORT FACILITY THAT WILL ENSURE THAT THE MATERIAL PROVIDED THE MARINE CORPS IS PROPERLY STORED, MAINTAINED, AND AVAILABLE WHEN NEEDED; FLIGHT LINE AND PHYSICAL SECURITY IMPROVEMENTS; WASTE AND WATER TREATMENT FACILITIES; WATER STORAGE DEVELOPMENT; LAND ACQUISITION; AND ADMINISTRATIVE FACILITIES THAT ARE ASSOCIATED WITH OPERATIONS TRAINING AND COMPUTER SUPPORT FACILITIES. MANY OF THESE PROJECTS ARE NOT VERY GLAMOROUS, BUT THEY'RE ESSENTIAL IN SUPPORTING THE BASE INFRASTRUCTURE.

MARINE CORPS RESERVES

BEGINNING WITH THE FISCAL YEAR 1990 AND 1991 PROGRAM, THE MARINE CORPS HAS ASSUMED BUDGETING RESPONSIBILITY FOR ITS OWN RESERVE FACILITIES AND WILL CONTRIBUTE A PORTION OF ITS TOTAL OBLIGATIONAL AUTHORITY (TOA) TO THE MILITARY CONSTRUCTION, NAVAL RESERVE (MCNR) PROGRAM FOR THE CONSTRUCTION OF MARINE CORPS EXCLUSIVE USE PROJECTS. OUR PURPOSE FOR BECOMING OUR OWN RESOURCE SPONSOR IS TO INCREASE

THE TOTAL AMOUNT OF MONEY IN THE MCNR PROGRAM APPLIED TO MARINE PROJECTS AND TO GAIN CONTROL OF OUR PORTION OF THE PROGRAM. FUNDING OF MARINE EXCLUSIVE PROJECTS HAS VARIED WIDELY OVER THE PAST YEARS. BECOMING OUR OWN RESOURCE SPONSOR ENABLES THE MARINE CORPS TO MORE FULLY ADDRESS OUR RESERVE MILITARY CONSTRUCTION NEEDS, AND HOPEFULLY, WILL LEAD TO INCREASED AND STABLE FUNDING LEVELS. THE FISCAL YEAR 1990 PROGRAM WILL FUND SEVEN PROJECTS TOTALLING $9.7 MILLION (19% OF THE MAJOR CONSTRUCTION PORTION OF THE MCNR PROGRAM), WHICH SUPPORT BOTH NEW AND EXISTING MISSIONS. WHILE THERE IS BUT ONE PROJECT IN FISCAL YEAR 1991 FOR $8.1 MILLION (15% OF THE MCNR PROGRAM), THIS IS A HIGH COST URGENT REQUIREMENT TO PROVIDE AN ESSENTIAL HANGAR FOR A NEWLY ACTIVATED RESERVE AH-1J SQUADRON AT MCAS CAMP PENDLETON CALIFORNIA. THE MARINE CORPS' PORTION OF THE MCNR BACKLOG IS $94.08 MILLION WHICH IS 9% OF THE TOTAL MCNR BACKLOG OF $1.14 BILLION.

FAMILY HOUSING

IN RECENT YEARS, THE MARINE CORPS HAS MADE STEADY PROGRESS IN IMPROVING THE QUANTITY AND QUALITY OF OUR FAMILY HOUSING ASSETS. HOWEVER, THE SAME FISCAL CONSTRAINTS THAT AFFECT THE MILITARY CONSTRUCTION PROGRAM HAVE ALSO AFFECTED FAMILY HOUSING. THE CONSTRUCTION PORTION OF THE FISCAL YEAR 1990 FAMILY HOUSING BUDGET IS A SIGNIFICANT DECREASE FROM FISCAL YEAR 1989. OUR CURRENT HOUSING DEFICIENCY, ALL OF WHICH IS IN SOUTHERN CALIFORNIA, IS 5,031 UNITS. THE MARINE CORPS FISCAL YEAR 1990 AND 1991 FAMILY HOUSING PROGRAM IS $121.3 MILLION AND $125.5 MILLION RESPECTIVELY.

IN EACH FISCAL YEAR, WE PROPOSE TO CONSTRUCT 112 FAMILY HOUSING UNITS AT A TOTAL COST OF $22 MILLION WITH ALL 224 UNITS TO BE LOCATED AT CAMP PENDLETON, CALIFORNIA. THE FISCAL YEAR 1990 FAMILY HOUSING IMPROVEMENTS PROGRAM REQUIRES $4.8 MILLION, OPERATIONS AND MAINTENANCE COSTS ARE ESTIMATED AT $104.8 MILLION AND $1 MILLION IS NEEDED FOR COSTS ASSOCIATED WITH SECTION 801 LEASED HOUSING AT MCAGCC, TWENTY-NINE PALMS, CALIFORNIA. IN FISCAL YEAR 1991 THE LAST OF THE 200 LEASED UNITS WILL BE BROUGHT ON LINE WHICH WILL INCREASE OUR ANNUAL LEASE COST TO $2 MILLION. DURING FISCAL YEAR 1991 THE FAMILY HOUSING IMPROVEMENTS PROGRAM REQUIRES $3.95 MILLION AND OPERATIONS AND MAINTENANCE COSTS ARE ESTIMATED AT $107.3 MILLION.

SUMMARY

MADAM CHAIRWOMAN, IN SUMMARY, PERMIT ME TO EMPHASIZE AGAIN OUR APPRECIATION FOR THIS COMMITTEE'S CONTINUED SUPPORT. THE MILITARY CONSTRUCTION PROGRAMS FOR FISCAL YEARS 1990 AND 1991 REPRESENT THE MARINE CORPS ASSESSMENT OF REQUIREMENTS AND RELATIVE PRIORITIES NEEDED TO BEST CARRY OUT MISSION RESPONSIBILITIES. OUR PROGRAM IS THE RESULT OF A CAREFUL, WELL REASONED, AND THOROUGH DECISION PROCESS BASED ON OUR BEST JUDGEMENT AND OPERATIONAL EXPERIENCE. IT PLACES HIGH PRIORITY ON READINESS AND SUSTAINTABILITY OF OUR FORCES, ENSURES TIMELY SUPPORT FOR FIELDING NEW WEAPONS SYSTEMS, AND CONTINUES OUR COMMITMENT TO IMPROVE THE QUALITY-OF-LIFE OF OUR MARINES AND THEIR FAMILIES WHILE BEING CONSISTENT WITH FISCAL

REALITIES. OUR REQUEST PROVIDES A BALANCED PROGRAM, WHICH WE BELIEVE REPRESENTS WHAT IS ESSENTIAL TO SUPPORT MARINE CORPS MISSIONS AND THAT IS RESPONSIVE TO THE GUIDANCE OF THE CONGRESS.

APPROVAL OF THIS REQUEST WILL CONTINUE THE EFFORTS OF THE CONGRESS AND THE MARINE CORPS TO PROVIDE MODERNIZED FACILITIES ENABLING US TO ATTRACT AND RETAIN QUALITY MARINES AND MAINTAIN A HIGH LEVEL OF OPERATIONAL READINESS AND WARFIGHTING CAPABILITY. WE URGE YOUR FAVORABLE CONSIDERATION OF OUR FISCAL YEAR 1990 AND 1991 MILITARY CONSTRUCTION REQUESTS.

MA'AM, THIS CONCLUDES MY STATEMENT. I WILL BE MOST HAPPY TO PROVIDE ANY FURTHER INFORMATION YOU MAY NEED, AND TO ANSWER ANY QUESTIONS WHICH YOU MAY HAVE.

Mrs. **Schroeder**. Thank you very much, General.

General Ahearn, welcome.

STATEMENT OF MAJ. GEN. JOSEPH A. AHEARN, DIRECTOR OF AIR FORCE ENGINEERING AND SERVICES, DEPARTMENT OF THE AIR FORCE

General **Ahearn**. Madam Chairwoman, thank you for the opportunity to present the Air Force's program for your subcommittee. My written statement is in your record.

I might begin my remarks by highlighting that the Air Force has real growth in its MilCon budget and that we believe that we will sustain that growth as the Bush budget is built.

[These slides provided no data and were strictly background information only and are being retained in committee files.]

General **Ahearn**. The Air Force's MilCon authorization request before you is focused on developing our bases so that we can perform our missions and to improve care for our people. The request is to support the most powerful, forward-looking, and the high-tech aerospace force in the world.

Our military construction submittal is broken into two major sections. The first section addresses our military requirements to support things such as weapon systems bed-downs, new force structure, readiness and revitalization.

With weapon systems bed-downs I speak to the stealth bomber, the B-2, the Rail Garrison/MX program. For force structure I speak to the C-17, our intra-theatre airlift. For readiness I speak to the Special Operations Forces force structure, to the short take-off and landing, small cargo aircraft that we want to beddown.

Finally, in the revitalization business I am talking about developing our existing bases to take care of what we already have.

Included in the fiscal year 1990 revitalization program is support for the line of the Air Force—$127 million to build and renovate 5,300 dorm spaces for our airmen. We also plan to construct four new dining facilities and four physical fitness centers at a cost of $24 million to enhance the living environment for our airmen.

To enhance their working environment, and here I speak to the military and civilian alike, we have a request for 64 workplace improvements or new construction items in the fiscal 1990 budget; a total cost of $254 million.

As we framed this authorization request we did not overlook Air Force families. Family housing is our second section of our request. We are seeking, in fiscal year 1990, $173 million to revitalize 3,700 family housing units. I would suggest that this revitalization is the Air Force's number one facility requirement. Of all the requirements that we have and the magnitude of the shortfall that we have, the family housing asset is in the most deplorable condition.

Additionally, we are seeking $60 million for 662 new housing units. Our purpose is to build positive, productive and prospering attitudes in our people. When our people feel right about where they live, and where they work, and where they play, they become more competent and committed team players.

Many of our installations contain temporary facilities, built in response to World War II, Korean, and Vietnam requirements.

These facilities and land arrangements are simply out of phase with the times.

Mr. **Martin**. Where's that?

General **Ahearn**. That's Eielson in Alaska.

Mr. **Martin**. I thought so.

General **Ahearn**. They offer little to improve productivity and nothing to retention.

Today our installations are aeroports as well as forward power projection bases. Our installations are also home towns similar to American suburbs. We have 144,000 family housing units in our inventory; 80,000 are outdated and require upgrading.

Like most American cities, our installations are dynamic. We have new missions, such as our Space Mission at Peterson Air Force Base; and the need to invest in modernization, such as the airman dormitory—all require your subcommittee's support.

We have analyzed our requirements and developed a road map based upon a phased investment in our master plan, base by base. We are not just building projects. We would suggest that we're building the Air Force institution.

Our objective as we go about building tomorrow, is to start right at the main gate where we present the story of America, the statement that we make about our strong, open society projecting its professional image.

To further tell the story, we create functional arrangements that foster efficiency and display coherency, and make the statement about the professional character of our institution and its people.

We also seek to create a sense of pride and belonging in our neighborhoods.

We project an Air Force theme, then, of efficiency, about highly technical people dedicated to peace through power. Just as the quality of the cockpit and the capability of the airframe impacts the performance of our pilots, the quality of the built environment in large measure impacts the performance of our people. Our standards are characterized by simplicity in form and function; reliability in engineering support and utility systems; durability in materials and finishes, compatibility with other buildings on the installation with respect to colors, materials, forms and scale; completeness and the attention to detail, including our landscape and our hardscape, frames out our picture.

We ask then for your support for the Air Force MilCon program as we set our warriors and their families up for success.

Thank you.

Prepared Statement of General Ahearn

INTRODUCTION

MADAM CHAIRWOMAN AND MEMBERS OF THE COMMITTEE, I AM MAJOR GENERAL BUD AHEARN, DIRECTOR OF ENGINEERING AND SERVICES, UNITED STATES AIR FORCE. IT IS AN HONOR AND A PLEASURE TO BE MAKING MY FIRST APPEARANCE BEFORE YOUR COMMITTEE AND TO PRESENT THE AIR FORCE'S MILITARY CONSTRUCTION REQUEST FOR FISCAL YEARS 1990 AND 1991. WE ARE ALL AWARE THAT THE BUDGET THAT YOU HAVE BEFORE YOU WAS SUBMITTED BY THE OUTGOING ADMINISTRATION. THE DEPARTMENT OF DEFENSE IS REVISING THE FISCAL YEAR 1990 AND 1991 BIENNIAL BUDGET BASED ON NEW GUIDELINES. THIS REVISION WILL HAVE AN IMPACT ON THE MILITARY CONSTRUCTION PROGRAM, HOWEVER, AS OF THIS TIME, FINAL BUDGET DECISIONS HAVE NOT BEEN IMPLEMENTED.

OVERVIEW

THE AIR FORCE IS GRATEFUL FOR THIS COMMITTEE'S LONGSTANDING SUPPORT OF THE AIR FORCE'S MILITARY CONSTRUCTION PROGRAM. WE ARE WORKING DILIGENTLY TO CONSTRUCT FACILITIES THAT SUPPORT SEVERAL NATIONAL PROGRAMS, WHILE AT THE SAME TIME STRIVING TO IMPROVE THE WORKING AND LIVING CONDITIONS OF OUR PEOPLE.

OUR AUTHORIZATION REQUEST FOR MILCON AND FAMILY HOUSING IN FISCAL YEAR 1990 IS $2.544 BILLION AND $2.689 BILLION FOR FISCAL YEAR 1991. OUR FISCAL YEAR 1990 REQUEST AS SUBMITTED TO YOU REPRESENTS AN INCREASE OF $347 MILLION OVER OUR FISCAL YEAR 1989 REQUEST.

OUR FISCAL YEAR 1991 REQUEST IS A $145 MILLION INCREASE OVER OUR FISCAL YEAR 1990 REQUEST. OUR MILITARY CONSTRUCTION SUBMITTAL IS BROKEN INTO TWO MAJOR SECTIONS. ONE ADDRESSES OUR MILITARY FAMILY HOUSING NEEDS WHILE THE OTHER ADDRESSES OUR REQUIREMENTS THAT SUPPORT WEAPONS SYSTEMS BEDDOWNS, FORCE STRUCTURE, READINESS, AND REVITALIZATION OF OUR EXISTING PHYSICAL PLANT. TODAY, I WILL ADDRESS THE SECOND SECTION WHICH WE LABEL THE "MILCON PROGRAM."

THE MILCON PART OF OUR FISCAL YEAR 1990 AUTHORIZATION REQUEST IS $1.520 BILLION, AN INCREASE OF $246 MILLION OVER THE FISCAL YEAR 1989 AUTHORIZATION REQUEST. OUR FISCAL YEAR 1991 REQUEST OF $1.579 IS AN INCREASE OF $59 MILLION OVER FISCAL YEAR 1990.

AS WE BUILT THIS AUTHORIZATION REQUEST AND PREPARE TO EXECUTE ITS CONSTRUCTION PROJECTS, WE HAVE CHANGED SOME PROCESSES AND HAVE EMPLOYED SOME SPECIFIC PRINCIPLES. OUR PRIMARY FOCUS WILL BE THE QUALITY OF THE END PRODUCT OR SERVICE. IN THE LONG RUN THAT WILL PAY ENORMOUS DIVIDENDS. WE WILL ENSURE ACCOUNTABILITY SO THAT LIMITED RESOURCES ARE UTILIZED PROPERLY AND EFFICIENTLY. WE WILL APPLY PROGRESSIVE YET PROVEN TECHNOLOGIES AND FINALLY, WE WILL ALWAYS BE FUTURE LOOKING SO THAT WE CAN CONTINUE TO IMPROVE OUR PERFORMANCE.

BY ADHERING TO THESE PRINCIPLES I BELIEVE WE WILL BE ABLE TO CONTINUE TO SUPPORT FORCE MODERNIZATION, IMPROVE READINESS AND SUSTAINABILITY, AND CONTINUE THE REVITALIZATION OF THE AIR FORCE'S FACILITY INFRASTRUCTURE. OUR FOCUS WILL BE ON QUALITY FACILITIES, PROVIDED ON TIME, AND WITHIN BUDGET. THE CONGRESS EXPECTS NO LESS AND THE AMERICAN TAXPAYER DESERVES NO LESS.

I WILL NOW DISCUSS THE AIR FORCE'S FISCAL YEAR 1990 AND FISCAL YEAR 1991 MILCON PROGRAM AND I LOOK FORWARD TO NEXT WEEK WHEN I WILL BE TESTIFYING BEFORE THIS COMMITTEE IN SUPPORT OF THE AIR FORCE'S FISCAL YEAR 1990 AND 1991 MILITARY FAMILY HOUSING AUTHORIZATION REQUEST.

NEW MISSION MILCON

THE AIR FORCE SEPARATES ITS MILCON PROGRAM INTO TWO DISTINCT PARTS CALLED NEW MISSION AND CURRENT MISSION. THE BUDGET LEVELS FOR NEW MISSION REQUIREMENTS PROVIDE FACILITIES WHICH SUPPORT DEPLOYMENTS OF WEAPONS SYSTEMS, FORCE STRUCTURE CHANGES, AND READINESS. THE FUNDING FOR THIS PART OF OUR MILITARY CONSTRUCTION PROGRAM IS ESSENTIAL TO MODERNIZING AND IMPROVING OUR WARFIGHTING MISSION. NEW MISSION PROJECTS CONSTITUTE 65 PERCENT OF THE FISCAL YEAR 1990 MILITARY CONSTRUCTION REQUEST AT $991 MILLION AND 62 PERCENT OF THE FISCAL YEAR 1991 REQUEST AT $983 MILLION.

THE AIR FORCE'S TWO-YEAR REQUEST FOR NEW MISSION FUNDING CONTAINS PROJECTS THAT SUPPORT PEACEKEEPER - RAIL GARRISON, CONTINUATION OF CONSTRUCTION TO DEPLOY THE B-2 BOMBER AT WHITEMAN AFB, MISSOURI, AND THE SECOND AND THIRD PHASES OF CONSTRUCTION FOR THE LARGE ROCKET TEST FACILITY AT ARNOLD AIR FORCE BASE, TENNESSEE. TO SATISFY THE CRITICAL NATIONAL NEED TO LAUNCH THE TITAN IV CONFIGURED WITH THE CENTAUR UPPER STAGE FOR HEAVY PAYLOADS WE PROPOSE TO CONSTRUCT A NEW LAUNCH COMPLEX AT VANDENBERG AIR FORCE BASE, CALIFORNIA. FINALLY, WE CONTINUE CONSTRUCTION OF FACILITIES TO SUPPORT THE AIR FORCE SPECIAL OPERATIONS MISSION.

PEACEKEEPER - RAIL GARRISON

IN DECEMBER 1986, PRESIDENT REAGAN ANNOUNCED THE DEVELOPMENT OF THE RAIL GARRISON SYSTEM FOR THE SECOND 50 PEACEKEEPER MISSILES. RAIL GARRISON PLACES MISSILES ON RAILCARS WHICH ARE KEPT ON ACTIVE AIR FORCE BASES IN PEACETIME. THE MISSILES WOULD DEPLOY OVER THE NATIONAL RAIL NETWORK DURING TIMES OF NATIONAL NEED.

IN FISCAL YEAR 1989, THE CONGRESS DENIED MILCON FUNDING PENDING APPROVAL OF DEPLOYMENT OF THE SYSTEM BY THE NEXT ADMINISTRATION AND THE CONGRESS. HOWEVER, THE CONGRESS FELT THAT PLANNING FOR THE FISCAL YEAR 1989 PROJECTS SHOULD PROCEED AT A MODERATE PACE SO AS TO NOT EXCEED 35 PERCENT DESIGN STATUS UNTIL THE NEW ADMINISTRATION AND CONGRESS HAVE APPROVED DEPLOYMENT OF THE SYSTEM.

THE FISCAL YEAR 1990 PROGRAM INCLUDES $204.95 MILLION FOR CONSTRUCTION OF WHICH $111.3 MILLION SUPPORTS CONSTRUCTION AT F.E. WARREN AIR FORCE BASE, WYOMING, AS WELL AS $14.15 MILLION FOR DESIGN OF FOLLOW-ON BEDDOWN LOCATIONS. THE FISCAL YEAR 1990 AND 1991 MILCON AUTHORIZATION REQUEST SUPPORTS CONSTRUCTION AT FOLLOW-ON LOCATIONS THAT HAVE NOT YET BEEN ANNOUNCED.

APPROVAL OF THE FISCAL YEAR 1990 REQUEST WILL RESERVE THE OPTION TO ACHIEVE AN INITIAL OPERATING CAPABILITY BY JUNE 1992 SHOULD THE CONGRESS AUTHORIZE DEPLOYMENT.

B-2 BOMBER

THE B-2 BOMBER WAS ANNOUNCED BY PRESIDENT REAGAN IN 1981 AS PART OF THE STRATEGIC MODERNIZATION PROGRAM. THE INITIAL OPERATIONAL CAPABILITY OF THE AIRCRAFT IS EXPECTED IN THE EARLY 1990s.

THE AIRCRAFT IS DESIGNED TO HAVE SUPERIOR SURVIVABILITY BECAUSE OF "LOW OBSERVABLE" STEALTH TECHNOLOGIES. IT HAS EXCEPTIONAL RANGE AND IS CAPABLE OF CARRYING BOTH NUCLEAR AND CONVENTIONAL WEAPONS. STEALTH TECHNOLOGY WILL ALLOW THE B-2 TO PENETRATE SOVIET DEFENSES INTO THE 21ST CENTURY.

IN JANUARY 1987, WHITEMAN AIR FORCE BASE, MISSOURI WAS ANNOUNCED AS THE FIRST OPERATIONAL LOCATION. FOLLOW-ON BASES WILL BE ANNOUNCED WITH THE SUBMISSION OF THE PRESIDENT'S BUDGET CONTAINING THE FIRST YEAR OF MILCON FUNDING FOR EACH LOCATION. THE DEPOT MAINTENANCE FOR THE B-2 WILL BE CONDUCTED AT TINKER AIR FORCE BASE, OKLAHOMA.

THE CONGRESS FULLY AUTHORIZED OUR FISCAL YEAR 1988 REQUEST OF $89.3 MILLION. FOR FISCAL YEAR 1989, THE CONGRESS AUTHORIZED $59.5 MILLION OF OUR $79.5 MILLION REQUEST. FOR FISCAL YEAR 1990, THE AIR FORCE IS REQUESTING AUTHORIZATION OF $100.5 MILLION FOR THE THIRD PHASE OF THE BEDDOWN AT WHITEMAN AIR FORCE BASE. FOR FISCAL YEAR 1991, OUR REQUEST AT WHITEMAN AIR FORCE BASE IS $116.5 MILLION. ADDITIONALLY, TO SUPPORT DEPOT MAINTENANCE AT TINKER AIR FORCE BASE, WE ARE REQUESTING AUTHORIZATION OF $31.8 MILLION IN FISCAL YEAR 1990 AND $23.3 MILLION FOR FISCAL YEAR 1991. THE TOTAL MILCON REQUIREMENT FOR B-2 INCLUDING DESIGN IN FISCAL YEAR 1990 IS $147.3 MILLION AND FOR FISCAL YEAR 1991 IS $167.7 MILLION.

LARGE ROCKET TEST FACILITY (J-6)

ARNOLD AIR FORCE BASE, TENNESSEE HAS THE ONLY NATIONAL CAPABILITY FOR TESTING ROCKET ENGINES AT ALTITUDES. THE EXISTING MAJOR ROCKET MOTORS TEST CELLS CALLED J-4 AND J-5 CANNOT SAFELY TEST LARGE, DETONATABLE SOLID-ROCKET MOTORS AT ALTITUDE. THE J-4 TEST CELL IS A LIQUID FUEL FACILITY THAT HAS BEEN MODIFIED FOR SOLID PROPELLANT TESTING. THE J-5 FACILITY IS A SOLID PROPELLANT TEST CELL THAT IS LIMITED TO 150,000 POUNDS OF THRUST. NEWER ROCKET MOTORS FOR SYSTEMS SUCH AS PEACEKEEPER REQUIRE THRUST CAPABILITIES UP TO 350,000 POUNDS. FUTURE GENERATIONS OF MOTORS WILL REQUIRE TESTING AT EVEN HIGHER THRUSTS. THE J-6 TEST CELL WILL PROVIDE THE CAPABILITY TO SAFELY TEST HIGHLY VOLATILE NEW PROPELLANTS AT THRUST OF 500,000 POUNDS AT AN ALTITUDE OF 100,000 FEET.

FOR FISCAL YEAR 1989, THE CONGRESS AUTHORIZED THE TOTAL COST OF THE PROJECT IN THE AMOUNT OF $183 MILLION WHILE AUTHORIZING FOR APPROPRIATION $50 MILLION TO BEGIN THE CONSTRUCTION PROGRAM WHICH STRETCHES OVER THREE YEARS. THE AIR FORCE IS REQUESTING AUTHORIZATION FOR APPROPRIATION FOR FISCAL YEAR 1990 IN THE AMOUNT OF $66 MILLION AND FOR FISCAL YEAR 1991 $66.3 MILLION. THE FISCAL YEAR 1991 AUTHORIZATION FOR APPROPRIATION REQUEST WILL ALLOW US TO COMPLETE THE PROJECT.

TITAN IV LAUNCH FACILITIES

CONTAINED WITHIN OUR FISCAL YEAR 1990 AND 1991 AUTHORIZATION REQUESTS ARE FACILITIES TO SUPPORT TITAN IV LAUNCH FACILITIES ON THE WEST COAST AT VANDENBERG AIR FORCE BASE, CALIFORNIA AND ON THE EAST COAST AT CAPE CANAVERAL AIR FORCE STATION, FLORIDA

VANDENBERG AIR FORCE BASE - THE TITAN IV LAUNCH VEHICLE PROVIDES A CAPABILITY TO PLACE OUR HEAVIER PAYLOADS INTO ORBIT. BEGINNING IN 1990, THERE WILL BE ONE LAUNCH PAD (SLC-4E) AT VANDENBERG AIR FORCE BASE CAPABLE OF LAUNCHING A TITAN IV. CONSTRUCTION OF SLC-7 WILL PROVIDE THE TWO-PAD CAPABILITY FOR THE TITAN IV AND PROVIDE A CAPABILITY CURRENTLY NOT EXISTING ON THE WEST COAST, THAT IS THE ABILITY TO LAUNCH THE TITAN IV WITH THE CENTAUR UPPER STAGE. ADDITIONALLY, THE LAUNCH RATE CAPABILITY WITH ONLY ONE PAD ON THE WEST COAST IS NOT SUFFICIENT TO MEET THE REQUIREMENTS FOR AIR FORCE AND DOD CLASSIFIED MISSIONS.

THE AIR FORCE IS REQUESTING AUTHORIZATION OF $17 MILLION IN FISCAL YEAR 1990 TO BEGIN PHASE ONE OF A FOUR PHASE CONSTRUCTION PROGRAM. FOR FISCAL YEAR 1991, WE ARE REQUESTING $48 MILLION FOR PHASE TWO OF THE CONSTRUCTION PROGRAM. COMPLETION OF THE FINAL TWO PHASES IS ESTIMATED TO COST $40 MILLION.

CAPE CANAVERAL AIR FORCE STATION - THE CURRENT SOLID MOTOR ASSEMBLY BUILDING (SMAB) CANNOT PROCESS THE NEW SOLID ROCKET MOTOR UPGRADE (SRMU) DUE TO WEIGHT AND HEIGHT CONSTRAINTS. ADDITIONALLY, THIS FACILITY, WHICH WAS BUILT IN THE MID-1960s, IS TOO SHORT TO HANDLE THE PRESENT SEVEN-SEGMENT SOLID ROCKET MOTORS OF THE TITAN IV MISSILES. THEREFORE, A NEW SOLID ROCKET MOTOR ASSEMBLY BUILDING (SRMAB) IS REQUIRED TO PROCESS AND STACK THE SOLID ROCKET MOTOR SEGMENTS ON THE TITAN IV LAUNCH VEHICLE AS WELL AS ACCOMMODATE THE NEW SOLID ROCKET MOTOR UPGRADE.

FOR FISCAL YEAR 1990, THE AIR FORCE IS REQUESTING $89 MILLION FOR THE CONSTRUCTION OF THIS NEW ASSEMBLY BUILDING IN SUPPORT OF A SCHEDULED 1992 TITAN IV LAUNCH.

SPECIAL OPERATIONS FORCES

THE SPECIAL OPERATIONS FORCES SUPPORT THE REQUIREMENTS OF THE UNIFIED COMMANDS IN SUCH AREAS AS CONVENTIONAL AND UNCONVENTIONAL WARFARE, CRISIS RESPONSE, AND COUNTERTERRORISM.

FOR FISCAL YEAR 1989 THE CONGRESS AUTHORIZED $27.5 MILLION AT EGLIN AUXILIARY FIELD 9, FLORIDA AND $7 MILLION AT CLARK AIR BASE, THE PHILIPPINES.

THE FISCAL YEAR 1990 AUTHORIZATION REQUEST TOTALS $38.5 MILLION AT THREE LOCATIONS. OF THAT TOTAL, $21.9 MILLION IS AT EGLIN AUXILIARY FIELD 9; $13.4 MILLION IS AT KIRTLAND AIR FORCE BASE, NEW MEXICO AND $3.2 MILLION AT CLARK AIR BASE. THE FISCAL YEAR 1991 REQUEST OF $11.25 MILLION IS FOR OPERATIONS AND SUPPORT FACILITIES AT EGLIN AUXILIARY FIELD 9.

401ST TACTICAL FIGHTER WING (TFW) RELOCATION

THE NEW SPANISH BASING AGREEMENT REQUIRES THE 401ST TACTICAL FIGHTER WING TO RELOCATE FROM TORREJON AIR BASE, SPAIN. THE ITALIAN GOVERNMENT HAS AGREED TO HOST THE 401ST TACTICAL FIGHTER WING AT CROTONE, ITALY.

THE CONGRESS HAS REQUIRED THAT CONSTRUCTION OF NEW FACILITIES TO SUPPORT THIS RELOCATION BE THE RESPONSIBILITY OF NATO AND THAT U.S. MILITARY CONSTRUCTION RESOURCES NOT BE USED TO FUND CONSTRUCTION OF ANY FACILITIES IN SUPPORT OF THE 401ST RELOCATION.

DURING THE MAY 1988 NATO MINISTERIAL DEFENSE PLANNING COMMITTEE ATTENDED BY THEN SECRETARY OF DEFENSE CARLUCCI, NATO AGREED TO FUND NEW FACILITY CONSTRUCTION FOR RELOCATING THE 401ST TFW WITH THE EXCEPTION OF RECREATIONAL FACILITIES WHICH WOULD BE THE RESPONSIBILITY OF THE UNITED STATES. ADDITIONALLY, IT WAS AGREED THAT NATO WOULD PROVIDE THE FUNDS UP FRONT TO CONSTRUCT THE FAMILY HOUSING TO U.S. STANDARDS. THE UNITED STATES WOULD REIMBURSE NATO OVER ABOUT A TEN-YEAR PERIOD AT WHICH TIME THE HOUSING REVERTS TO A RENT FREE STATUS.

THE FISCAL YEAR 1990 AUTHORIZATION REQUEST OF $15.4 MILLION INCLUDES $8.4 MILLION FOR COMMUNITY SUPPORT FACILITIES AND $7 MILLION FOR THE U.S. SHARE OF A JOINT U.S./ITALIAN AIR-TO-GROUND WEAPONS TRAINING RANGE. APPROPRIATED FUNDS ARE REQUIRED AS WEAPONS TRAINING RANGES ARE NOT ELIGIBLE FOR NATO FUNDING.

THE FISCAL YEAR 1991 AUTHORIZATION REQUEST OF $5.85 MILLION SUPPORTS CONSTRUCTION OF ADDITIONAL RECREATIONAL FACILITIES NOT SUPPORTED BY NATO MINISTERS FOR FUNDING.

CURRENT MISSION MILCON

NONE OF THE PROJECTS OR PROGRAMS I HAVE MENTIONED THUS FAR IN MY STATEMENT SATISFIES THE NEED TO CARE FOR THE EXISTING AIR FORCE PHYSICAL PLANT. PART TWO, OF OUR MILCON PROGRAM, IS CALLED CURRENT MISSION WHICH REVITALIZES THE EXISTING FACILITY INFRASTRUCTURE.

BEYOND THE WARFIGHTING, MODERNIZATION AND IMPROVEMENT RELATED MILCON REQUIREMENTS MENTIONED EARLIER, WE HAVE FACILITY REQUIREMENTS WHICH MAKE ESSENTIAL CONTRIBUTIONS IN ATTRACTING, RETAINING, AND MOTIVATING AIR FORCE PEOPLE. MOREOVER, THIS CONSTRUCTION CONTRIBUTES GREATLY TO OUR PEOPLE'S PRODUCTIVITY AND ALLOWS US TO SUSTAIN OUR COMMITMENT TO A QUALITY FORCE. THE CURRENT MISSION SHARE OF OUR MILCON, ALONG WITH THE FAMILY HOUSING PROGRAM, WHICH WILL BE DISCUSSED NEXT WEEK, ARE FUNDAMENTAL COMPONENTS OF A MODERN, EFFECTIVE, HIGH-QUALITY AIR FORCE.

THE DEPARTMENT OF DEFENSE IS ON RECORD AS CONCLUDING -- THAT THERE IS A STRONG RELATIONSHIP BETWEEN THE QUALITY OF OUR FACILITIES AND RETENTION OF OUR PEOPLE. THE CURRENT MISSION PART OF OUR MILCON PROGRAM ADDRESSES THE REVITALIZATION OF THE WORKING AND LIVING ENVIRONMENT OF OUR PEOPLE. UNFORTUNATELY, CONTINUING BUDGET CONSTRAINTS AND THE UNQUESTIONED NEED TO MODERNIZE OUR STRATEGIC FORCES ARE PUSHING US FARTHER AWAY FROM ESTABLISHING EVEN A MODEST TREND OF REVITALIZING OUR EXISTING FACILITIES. IN FACT, AT TODAY'S INVESTMENT RATE, IT WILL TAKE APPROXIMATELY 200 YEARS TO REVITALIZE OUR ENTIRE PHYSICAL PLANT.

I AM NOT THE FIRST DIRECTOR OF AIR FORCE ENGINEERING AND SERVICES THAT HAS SPOKEN OUT ON THE NEED TO REVITALIZE OUR EXISTING INFRASTRUCTURE. I FULLY RECOGNIZE THAT ALL OUR FACILITY REQUIREMENTS CANNOT BE MET DUE IN PART TO THE CONSTRAINED BUDGET ENVIRONMENT AND THE FUNDAMENTAL NEED TO FUND CONSTRUCTION THAT SUPPORTS BEDDOWN OF AIR FORCE WEAPONS SYSTEMS AND NATIONAL PROGRAMS. HOWEVER, OUR LEVEL OF INVESTMENT IN REVITALIZATION HAS FALLEN TO A LEVEL LOWER THAN OUR PLANT INVESTMENT LEVEL OF FISCAL YEAR 1983. SHOULD CONGRESS FULLY AUTHORIZE OUR CURRENT MISSION REQUEST, WE WILL BE ON A REVITALIZATION CYCLE OF APPROXIMATELY 200 YEARS.

OUR CURRENT MISSION FUNDING LEVEL FOR FISCAL YEAR 1990 IS $535 MILLION AND FOR FISCAL YEAR 1991 IS $596 MILLION. TWO VERY IMPORTANT INITIATIVES WITHIN THIS PROGRAM ARE OUR EFFORTS TO REVITALIZE LACKLAND AIR FORCE BASE, TEXAS AND SHEMYA AIR FORCE BASE, ALASKA.

LACKLAND AIR FORCE BASE, TEXAS

LACKLAND AIR FORCE BASE REPRESENTS THE "GATEWAY TO THE AIR FORCE" AND PROVIDES A LASTING IMPRESSION OF THE AIR FORCE FOR NEW MILITARY MEMBERS AND FOREIGN STUDENTS AS WELL. A FIVE-YEAR PROGRAM HAS BEEN ESTABLISHED TO REVITALIZE THE PHYSICAL PLANT. THE PROGRAM FOCUSES ON SOLVING INFRASTRUCTURE PROBLEMS AND REPLACING WORLD WAR II BUILDINGS.

FOR FISCAL YEAR 1990, THE AIR FORCE IS REQUESTING $19.4 MILLION AS THE INITIAL PHASE OF THIS REVITALIZATION PROGRAM. INCLUDED IN THIS AMOUNT IS $4.50 MILLION FOR A SECURITY POLICE TRAINING FACILITY, $8 MILLION FOR A NEW LOGISTICS COMPLEX, $3.20 MILLION FOR ADDITIONAL WATER STORAGE AND DISTRIBUTION SYSTEM, AND $3.80 MILLION TO UPGRADE THE BASE ELECTRICAL DISTRIBUTION SYSTEM.

FOR FISCAL YEAR 1991, THE AIR FORCE IS REQUESTING $22.50 MILLION FOR A DINING FACILITY, FIRE STATION, BASE ENGINEER COMPLEX, BASE ROADS, AND AN UPGRADE TO THE SEWER SYSTEM.

SHEMYA AIR FORCE BASE, ALASKA

SHEMYA AIR FORCE BASE IS STRATEGICALLY LOCATED AT THE END OF THE ALEUTIAN CHAIN AND IS THE PREDOMINANT SITE FOR MONITORING SOVIET ACTIVITIES DUE TO ITS PROXIMITY TO THE SOVIET UNION. THE LARGE INVESTMENT IN INFORMATION GATHERING SYSTEMS MUST BE SUPPORTED WITH AN ADEQUATE FACILITY INFRASTRUCTURE.

TO STAY ABREAST OF SOVIET ACTIVITY, A LARGE INVESTMENT HAS BEEN MADE IN BUILDING SYSTEMS AT SHEMYA AIR FORCE BASE. FACILITY REPLACEMENT/REVITALIZATION HAS NOT KEPT PACE. APPROXIMATELY THIRTY PERCENT OF THE FACILITIES ARE WOOD FRAME, CONSTRUCTED DURING WORLD WAR II, AND ALMOST SIXTY PERCENT ARE MORE THAN TWENTY YEARS OLD. MANY ARE SO DETERIORATED THAT THEY ARE UNECONOMICAL TO REPAIR AND MUST BE REPLACED. THE EXTREME COLD WEATHER CONDITIONS AS WELL AS THE HIGH WINDS, RAIN, AND CORROSIVE SALT WATER ENVIRONMENT HAVE

DRASTICALLY REDUCED THE NORMAL LIFE EXPECTANCY OF THE FACILITIES AT SHEMYA AIR FORCE BASE.

OVER THE PREVIOUS FIFTEEN YEARS THERE HAS BEEN ONLY MINIMAL CONSTRUCTION AT SHEMYA AIR FORCE BASE. DURING, THE LAST TWO YEARS, CONGRESS HAS AUTHORIZED $53.30 MILLION FOR CONSTRUCTION. BUT WITH A HIGH (3.5) CONSTRUCTION AREA COST FACTOR IT WILL TAKE FIVE YEARS TO BRING SHEMYA'S MAJOR FACILITY PROBLEMS UNDER CONTROL. OUR PLAN FOR THE FUTURE IS TO FOCUS ON REVITALIZING THE INFRASTRUCTURE THROUGH A SIGNIFICANT CAPITAL INVESTMENT. A SIGNIFICANT NUMBER OF MODERNIZATION PROJECTS OVER A SHORT PERIOD OF TIME WILL REDUCE CONSTRUCTION MOBILIZATION COSTS, IMPROVE PROJECT EXECUTION, AND PROVIDE QUALITY FACILITIES AT LESS COST TO THE TAXPAYER.

FOR FISCAL YEAR 1990, THE AIR FORCE IS REQUESTING $27.70 MILLION AND FOR FISCAL YEAR 1991, WE ARE REQUESTING $14 MILLION.

CONCLUSION

MADAM CHAIRWOMAN, THE MISSION OF THE UNITED STATES AIR FORCE IS TO DETER AGGRESSION AND, IF NECESSARY, DEFEAT AGGRESSORS IN CONFLICT. WITH THE SUPPORT OF THE CONGRESS TODAY'S AIR FORCE IS BETTER PREPARED THAN ANY TIME IN HISTORY.

OUR FISCAL YEAR 1990 AND 1991 REQUESTS PROVIDE FACILITY SUPPORT FOR THOSE WEAPONS SYSTEMS THAT ADD TO OUR NATIONAL WARFIGHTING CAPABILITY. ADDITIONALLY, WE HAVE CONTINUED TO INVEST IN THE WORKING AND LIVING ENVIRONMENTS OF OUR PEOPLE. THE AIR FORCE FULLY RECOGNIZES THE IMPORTANCE OF INVESTING IN FACILITY REVITALIZATION. WE MUST TREAT OUR PROFESSIONALS AS PROFESSIONALS AND PROVIDE THEM QUALITY WORKING AND LIVING ENVIRONMENTS. IF WE DO NOT PROVIDE FOR THE MEN AND WOMEN RESPONSIBLE FOR THE OPERATIONS AND MAINTENANCE OF THESE HIGH-TECH WEAPONS SYSTEMS, THEN WE ARE SHORTCHANGING NOT ONLY THEM BUT THE AMERICAN PEOPLE WHO ARE DEPENDING ON OUR HIGHLY TRAINED FORCE.

I KNOW THAT THE AIR FORCE LEADERSHIP AND THIS COMMITTEE RECOGNIZE THE IMPORTANCE THAT QUALITY FACILITIES PLAY IN RETAINING AND MAINTAINING A QUALITY FORCE ABLE TO CARRY OUT ITS MISSION OF DEFENDING THIS GREAT NATION. WE MUST PROVIDE A QUALITY LIFE FOR OUR PEOPLE, RECOGNIZING THAT MANY OF OUR YOUNG ENLISTED AIRMEN AND JUNIOR OFFICERS ARE AT THE POINT IN THEIR CAREER WHERE THEY WILL DECIDE TO LEAVE OR CONTINUE WITH THE AIR FORCE. THE QUALITY OF THE FACILITIES THAT THEY WORK AND LIVE IN WILL HAVE A SIGNIFICANT AFFECT ON THEIR DECISION. WITH THE HELP OF THIS COMMITTEE AND THE CONGRESS IT IS MY HOPE THAT WE CAN CONTINUE TO WORK TOGETHER TO CORRECT OUR FACILITY SHORTFALLS; THEREBY, MAINTAINING A HIGH QUALITY FORCE.

MADAM CHAIRWOMAN, I AM HONORED TO BE ABLE TO APPEAR BEFORE YOU TODAY AND TO REPRESENT THE UNITED STATES AIR FORCE. I AM PREPARED TO ANSWER YOUR QUESTIONS.

Mrs. SCHROEDER. I want to thank the panel and I want to thank the committee. I think we won't even bother using the timer for questions now because everybody's been so incredibly efficient. We surprise ourselves; no one thought Government could do this.

Let me ask one of the questions that troubled me as I looked at the details, and I guess this is addressed directly to the Army and the Navy. I noticed in the Army budget you've got 10 child care centers at $36.5 million, and the Navy, 13, for about $15.8 million. So it looks like the Navy's spending about one-plus-million per child care center and the Army about four.

Is there no standard design or why that big a deviation between what the two services would spend for children? Are Army children more unruly?

General OFFRINGA. I trust, Madam Chairwoman, that you will excuse me from answering that last question, if possible.

I can state that we do have a standard design that we use for all child development centers within the Army and that those are set up based upon various sizing permits, starting at 66 children and building up to about 303 children. Those are based upon standards that have been coordinated with what's within private industry and also have been developed as a result of studies by the Personnel people to ensure that the quality and safety within the child care development centers is maximized.

We have value engineered the design down to the lowest possible price consistent with our guidelines. There is no DOD standard design as far as I know, so I have never compared what we are building with what the Navy is building.

Mrs. SCHROEDER. Would you mind doing that casually, we don't want a formal thing for the record, but I think it's one of those disparities that somebody can latch onto and say why this difference. There may very well be a good answer for it or you may be going two different ways, but it's the type of thing that we can really get bushwhacked—in more ways than one—as we are looking at the next budget coming down.

The next question I've been dying to ask is, the Air Force has done fabulously. Your slide show is great—and obviously, maybe that's what you showed to the Secretary of Defense, I don't know. But as I look at this budget, you have done very, very well compared to the Army, the Navy, and the Marines. I have several feelings about this that bother me.

I have always felt everybody works for the same flag. I have always also felt that visiting an Air Force base, they do much better by their people than the Army and the Navy. Sometimes it's hard to believe that they are all working for the same country, that you really are very aggressive on some of these things.

I guess I direct it first to Admiral Montoya. Mr. Stone said that you made a real attempt to get much more money and you didn't get it. What do you think the problem was?

Admiral MONTOYA. I can't answer specifically and one can only draw inferences by the result. We took considerable reductions in both 1990 and 1991 for some of our overseas construction. Particularly the Philippines, we lost it all basically, except for the housing, because of our situation there—Subic Bay and our relationship with the Philippines, the tenuousness of that relationship.

Beyond that, it would only be speculation on my part and it wouldn't be worth much more than that. I don't know why such a large amount was taken from the Navy.

Mrs. **Schroeder**. Let me even talk about Subic more specifically, because I know you did say you had quite a chunk of money in there for Subic for housing. Again, having visited the Philippines and looked both at Subic and the air base, we found that the Air Force, even though they had the same problem that you did with people living off base and everything, again, were much more aggressive and had gotten a much better deal for their people. They had gotten Manila businessmen to build housing, and lease it back, and they were much tougher.

Whereas, in Subic, we found just an awful situation, where the guy handling housing for us—you shouldn't say cutting deals—but there was something very strange going on. That people were telling us about $600 electric bills because everybody in the neighborhood cut into the American's power bill; and this guy would shrug his shoulders and say, we can't do anything about this. We never heard those kind of stories at the air base.

Again, it's that aggressiveness about protecting the people that work for you, that there seems to be such a difference, and I just don't know what that mindset is.

Admiral **Montoya**. Again, I was going to mention this in the child care center business. We deal with really two families. When you look at the Navy—and I may even be making my own argument and you will ask me then, that was my point, Admiral—the Navy is really a single parent organization when you look at the way we operate. We maintain two households; the household that leaves pierside, and that's a very expensive household that sails away and is gone for 6 or 7 months. Then, we have to worry about the remainder left behind. Of course, the household that leaves is the operational combat household and it competes with that which is left behind. Therefore, at times, when you start stretching both directions and you get a Persian Gulf thrown at you where you spend lots of annual monies to support that kind of operation with no budget increases in a year; it comes from somewhere, and it generally comes from the support dollars and the shore establishment.

So we are in a constant tug of war in that regard and it's very, very difficult for us, quite frankly. That's not to allude to the other services, anything other than how I see it from the Navy's perspective.

Mrs. **Schroeder**. Let me ask the Army. Again, in visiting Korea and looking at some of those barracks that you were building—and I see you want to do some more, which I think is right, where a lot of our young men are living is just abominable—but you weren't even putting air conditioning in it. I was saying, why? It was bloody hot, it was awful. Everybody said a reasonably, prudent person would put air conditioning in, but the Army didn't even ask for it.

General **Offringa**. I think again it's a question of trying to stretch the dollars as far as we can make them go. As you have seen, those quonset huts are terrible. I always go, when I go to Korea, to the one where you have to walk from the quonset hut about 2 miles to the latrine. I might tell you that we're fixing that one this time. I think that was the original mindset, to try to get as much as we possibly could out of those dollars.

However, we have seen the impact of the hot summers and are aware of them; and we have changed that policy and are now air conditioning the barracks.

Mrs. SCHROEDER. Good.

Congressman Martin.

Mr. MARTIN. General Ahearn, you mentioned how much emphasis you're putting on the revitalization of the homes that you have while still making inroads on new family housing—Air Force.

Can you tell me how that project works as far as the revitalization funds? Those aren't required to be individually authorized or appropriated by us—that's my understanding—and those monies are given to the Air Force.

How do you make those determinations as to what facilities? Is it divided up by command or is it an Air Force-wide pool?

General AHEARN. At first we do make a line item request for the authority to upgrade each project, project by project. We have, in years past, presented a program and a half, a list of 150 percent of our appropriation requests for authority. So we have a set of line items authorized by your subcommittees that allow us to deliver as quickly as we possibly can the projects that are most quickly designed and most easily acquired. Those projects that are not funded in the appropriation year, then would roll over to be first funded in the follow-on year.

So we have a program and a half of authorization. We have a very accelerated delivery system set up. Thank you for your support for that, because it has been marvelously effective for us.

The projects that we include in our authorization requests are ranked in the order of merit around the Air Force. So it is that each of the major commands comes forward, year by year, and lays out their requirements to us and we rank them in the order of merit. We look at each of the major commands and, for instance, Strategic Air Command is about one-third of the Air Force. We look at the scope of that population and we balance the investment by major command with good appropriate sense.

Mr. MARTIN. As far as you are concerned, that program and the revitalization is working well and there's nothing that we can do to further assist you in that?

General AHEARN. Indeed, it's working well. Let me comment. It will take us 25 years at the investment level that we're making to fix the 80,000 that are already out of phase with the times. By the time we're done, all the rest will have been worn out.

Our objective is abundantly clear, and that is, one, to drive up the level of investment that we ask you for authorization and; two, to find some other source of resource, perhaps through privatization to help us accelerate the delivery.

We want to fix those 80,000 units in 10 years, not 25. I don't believe we could fix them any faster than 10 years because we can't take all that many out of the inventory at one time, so there's a question of how many can we take out of the inventory and that is where the 10 years comes from.

Mr. MARTIN. This is for everyone, except maybe General Downs—I want to say at the outset, General Ahearn, there are going to be questions brought up in another meeting—I think you will know what I'm getting at as far as that hospital at the Air Force Academy.

General AHEARN. Yes.

Mr. MARTIN. But my question is this, for all of you. Since the responsibility for programming and administering the medical construction program has been taken over by the Defense Medical Facilities Office, to what extent has this office provided the facilities for your individual services? I ask that in the context of more than before, less than before, about the same. I guess we can start out with the Air Force, and keep in the back of your mind my concern with that dilapidated facility called the United States Air Force Academy Hospital.

General AHEARN. Are we being served better by?

Mr. MARTIN. Or the Fifth Amendment or whatever you want to take. No, go ahead.

General AHEARN. Mr. Martin, the Air Force is of the mindset that decentralization rather than centralization does it better. I see the Defense Medical Facilities Office as an act of centralization. I think it is a sluggish system and the Air Force has been impacted by it as we've driven toward improving our medical facilities.

Mr. MARTIN. General Offringa.

General OFFRINGA. I would support the comments of my Air Force colleague. Again, we believe decentralization is really the way to go. I think that we could probably generate a more responsive program as a result.

Mr. MARTIN. Admiral.

Admiral MONTOYA. We try to manage our Navy in that same philosophy. If you put the responsibility where the pain is likely to take place, I think you would get better decisions.

Mr. MARTIN. General.

General DOWNS. Our medical facilities are built and run by the Navy. Our experiences have been that we did worse than we had hoped for when the program was consolidated in Defense in the early years. We're anticipating a better contribution or percentage of that program over the next few years.

What we see in the Defense Medical Facilities program as it relates to Marine Corps facilities is better in 1990, 1991 and 1992 than it was in the preceding 2 or 3 years.

Mr. MARTIN. Building on that close association and respect and harmonious relationship that has always been there in our naval service—and, of course the Department of Navy going to bat not only for the Navy but for the Marine Corps, this afternoon over in Readiness we're going to be talking about the overall increase of 2.2 percent readiness for the Navy Department, which translates into something like 1.2 increase for the Navy and a 9 percent cut for the Marine Corps.

You are talking about $169 million MilCon this year and $162 million next year. Are those the figures?

General DOWNS. That's correct, Congressman.

Mr. MARTIN. How does that relate as far as Marine Corps construction for prior years? Is that an increase, decrease? Ask Admiral Montoya how that relates to Navy figures.

General DOWNS. I think that the figures showed the Navy decreased by 20 percent from 1989 to 1990. The Marine Corps program decreased by 32.4 percent. With President Reagan's budget submitted it will go down another 4.1 percent from 1990 to 1991 without any further downward adjustments. The 1992 program starts up again. But it will be a long time before we get to the 1989 levels which were our height.

The problem for the Marine Corps really emanated from the decisions that were made in December of 1988 for percentage cuts amongst the departments and then percentage cuts within the department. Since the Marine Corps budget is 63 percent personnel as opposed to the next service, which is the Army at about 37 percent of their total obligational authority is in personnel, we have far lesser programs that are discretionary in nature from which to take percentage cuts. Those programs are such things as military construction, operation and maintenance, and to some limited degree, procurement when they are not wrapped up into economically beneficial multiyears.

Mr. MARTIN. Admiral Montoya, those figures are most interesting. How do you respond to the question I have, not General Downs, as to the stark contrast in percentage cuts as far as the Marine Corps relative to the Navy, notwithstanding yours is substantial?

Admiral MONTOYA. I think that what you are suspecting is not true. We have for years started with a top line that has a split. We talked about blue and green dollars over in the Pentagon, in the Navy Department, and it has been historically around 15 percent of the MilCon dollars in the Department of the Navy go to the Marine Corps. Once the top line is allocated, then the two services internally do what they will with those budgets.

So the Marine Corps disparity this year has no relationship to the Navy change because we work separately in that regard.

Mr. MARTIN. Do you have any problem with General Downs' figures concerning the percentage of their budget that goes to personnel as compared to the other services?

Admiral MONTOYA. No, I think what he has presented is accurate.

Mr. MARTIN. So that those larger percentage increases with respect to the Marine Corps should be viewed in that light—and should be viewed as even more alarming, perhaps, than the drastic cuts of the Army and the Navy?

Admiral MONTOYA. If we had been successful, I'd be here before you today with no cuts. Also, we deal with a much larger budget. I think we have more flexibility in the Navy than the Marine Corps does because we start with a much larger number.

Mr. MARTIN. Speaking of success, sir, getting back to something that you and I have been working on for a long time, the homeporting issue—and I note that there is $85 million, or whatever, for the continuation of homeporting.

Can you tell us what, from the mathematics point of view, the impact of the base closing legislation, were that to be implemented as proposed by the Department of Defense, what impact and where is the shifting of dollars within the homeporting program, just generally?

Admiral MONTOYA. Yes, sir. Really it's three locations. We aren't going to complete the homeports that we have started, and we experienced some costs, and there will be some further on costs as a result of closing out contracts at Galveston and Lake Charles.

We are planning at the moment, and we're looking at what we have to do at Ingleside to accommodate the four ships in question. So, there will be a shifting there within the Gulf Coast.

San Francisco, to which we had originally allocated $85 million, I believe, or the homeporting at Hunter's Point is another that will have to be looked at because the Base Closure Commission was very specific in what to do with a battleship and her supporting crews. We have not decided what we will do. Although the Base Closure Commission has specific language, the fleet commander is looking at his entire force, which he controls, as to where is best to homeport the ships that are now not going to San Francisco.

Mr. MARTIN. A recommendation was made in the Base Closure Commission to Pearl Harbor; is that correct?

Admiral MONTOYA. The Missouri at Pearl Harbor and some ships in Long Beach and some ships at San Diego.

Mr. MARTIN. What you're saying, just so I understand you, what you're saying is that notwithstanding the language placed in there by the Base Closure Commission, that is such a force structure decision as you can accept that as a recommendation but don't feel compelled to accept that as a direction as to where a specific ship has to go; is that correct?

Admiral MONTOYA. I think there's a difference of opinion of that in the Defense Department. But I feel that the Navy sees it as you've characterized it. We can comply with the spirit without being so specific whether a cruiser goes here or there as opposed to a destroyer, or a battleship—whether the Missouri goes somewhere or the New Jersey. It ought to be a Department decision.

Mr. MARTIN. The $85 million, you're talking about the Treasure Island—is just kind of a plug in there until you figure out what you're going to do?

Admiral MONTOYA. That's correct, Mr. Martin.

Mr. MARTIN. With respect to Galveston and Lake Charles, there are some costs—at least at Galveston, isn't there, for homeporting?

Admiral MONTOYA. Yes, there are. We've taken steps to terminate that contract before we start getting into the contributed funds, because it gets much more sticky as to whose money went where.

Mr. MARTIN. OK. But the monies that are going to be, quote, unquote, "saved" from not finishing the construction at Galveston or Lake Charles for the homeporting—that money is going to be saved for other construction projects, I assume. But isn't it also true that the closing or termination of those contracts are something that is going to be paid out of that base closing fund—another $500 million?

Admiral MONTOYA. That money is not available right now. It's in this year's bill—some $500 million. It has an impact upon us, as in when do we start design of new facilities. Again, in New York, we've been told to close Brooklyn and move things to Staten Island from Brooklyn. Certainly that's not part of homeporting, but we need to start design here soon if the Congress accepts the Commission's report. We will probably have to eat it out of current funds.

The same analysis will take place at Galveston and at Lake Charles. We have to take action now to cut our costs and losses so we would have to use funds available at the moment, while waiting for the appropriations for base closure and then to make sure that no language is attached to it that precludes us using it. That's still a question, but we have to take action now and, unfortunately, use our existing assets.

Mr. MARTIN. As you know, I have been an unabashed supporter of the homeporting process and we've been through this, seemingly, a hundred times here in the committee.

But I want to say to the Admiral that I want to make sure for the benefit of those people who are detractors of the homeporting that we make sure that that accounting is understood and understandable to them.

I guess what I'm saying is, stand by for a ram because there will be those that will be making the argument—they've made it to me privately—that this is an opportunity to soup up a little bit and perhaps eclipse the $799 million cap that was put on that by Congress. I just think it's fair for me to say that, that people have spoken to me about that already and they will be very interested in knowing that there isn't some use of that $500 million fund—increased cost to homeporting.

I know that's not going to happen. But, again, get hold of your accountants, make sure they are all in alphabetical order.

Admiral MONTOYA. Yes, sir.

Mr. MARTIN. General, getting back to Panama. You requested $7.2 million for the aircraft apron—parking extension on the apron—at Fort Kobbe, Panama. The justification for this project lists, along with the parking apron extension, a maintenance shop, an engine test stand, and more. This project is listed as a current mission project.

I know that General Werner is having various conversations with people in the State Department as well as other places in the administration as to what we're doing in Panama and what the view is.

Is that the kind of facility that needs to be constructed when it has to be amortized in 10 years? What specific mission is this supporting, if you can say?

General OFFRINGA. Yes, sir, that provides the rotary wing aviation support to the forces in Panama. We have recently put down there the new Blackhawk helicopters that have a much larger wing span, et cetera. This facility would probably be one of the last facilities that would be returned and the equipment would be some of the last equipment that would be withdrawn as we go through our phased withdrawal from Panama.

At present, we have not only operational problems in attempting to maintain the new helicopters but we also have a safety problem in that the parking apron is not large enough to sustain the larger helicopters. So it's the immediate safety and operational efficiency of the mission that's driving this construction request.

Mr. **Martin**. To your knowledge, has that transfer of helicopters going from the UH-1's to the 60-'s, has that already happened? Are they already in place?

General **Offringa**. They are already in place, yes, sir.

Mr. **Martin**. As we spoke before with Mr. Stone, the subcommittee is not trying to be belligerent, or try to stonewall everything relative to Panama, but I want to let you know upfront, we've got real problems with increases and missions, change of equipment, and all of that type of thing, when we have been, for the most part, given our return ticket home.

Whether or not that would be better spent there or in Texas or Puerto Rico or wherever for a future Southern Command, I want to let you know it's going to have to stand that test with us as well.

I recall that there was a recommendation to put in a new overrun. No different airplanes are flying in there than have been flying for years, and they were quite upset that we, because of safety and whatever, we wouldn't put the overrun in. We have been flying there for many, many years, and now is not the time to make those kind of investments. I thought it was fair to upfront point out that specific concern so that we can go back and rescrub those figures as well.

Madam Chairlady, I have no further questions.

Mrs. **Schroeder**. Congressman Ravenel?

Mr. **Ravenel**. General Ahearn, I want to say to you that in my observation in the 2 years and 3 months that I have been a Member of Congress, in your all's installations and your all's facilities you seem to get the most out of your O&M dollars.

I know in my area at the Charleston Air Force Base they had a dental clinic there that was replaced by a superb new facility. They took the old building, which was a wreck, and with regular maintenance folks, plus volunteers—active duty volunteers—they transformed that into a superb family services center; just great.

My additional observation also is, Admiral and General, in general is that you folks have got the best PR, which I think probably does not do you any harm. In every area of endeavor politics plays a part.

No two ways about it, the centralization of military medicine in DOD has been a disaster. I hope Bud Mayer goes back to California. I don't know if he's still over there or not, but if he is, I hope he joins Mr. Reagan back in California.

Fortunately, we seem to be able to be turning that situation around.

Admiral, you folks, as you know, and General, you all were savaged the most. I was down at the O.K. Corral down there in Lejeune when that occurred. I don't know if either one of y'all were there that day. Anyhow, out of all the outroar has come significant progress, and slowly, but surely, the situation is improving. Once again, you folks, General, seem to do the best with military medicine for your people. I was particularly impressed with the situation there at Seymour-Johnson where you had the clinic, and you're an isolated base, and the General, on his own volition, I understand, had constructed a small—it's either a 20 or 30-bed hospital to take care of the people—and it has worked out real well.

General, how in the world did you all get those Koreans to construct those super looking facilities that were shown? What was the process? How did you get them to do it?

General OFFRINGA. Sir, there's an annual process that goes on between the U.S. forces and the Koreans in which we provide to the Koreans a listing of operational and fighting facilities that we would like for them to contribute to.

It's a little bit different than with the Japanese because the Japanese constitution prohibits construction of warfighting sorts of things. So from the Japanese we get only peacetime facilities. In Korea it's just the opposite. The Koreans will only fund those things that are related, and that percentage which is related to warfighting.

Mr. RAVENEL. Does the Army handle those negotiations directly with the Koreans?

General OFFRINGA. Those are handled by the CINC in Korea, by General Menetrey.

The CINC has a program in which he has listed for this year and the outyear those facilities that he is proposing for Korean funding. There is a negotiating process that goes on as to whether those are warfighting facilities or not, what percentage of them contributes to warfighting. Also there is generally some discussion over what standards we should build to, for example, if we build a barracks, the Korean standard is considerably different than ours and we need to generally negotiate the difference.

But this program in Korea really has been one of the big success stories, I think, in burdensharing.

Mr. RAVENEL. The Japanese constitution does not prohibit defense measures, does it? Certainly our forces are not there for any offensive operation.

General OFFRINGA. No, but it prohibits them, I believe, from providing funds to us to construct things that could be used for war. However, we get considerable funding from them for housing, barracks, and things that are not directed to warfighting. For example, we have an ammunition storage facility that we asked them to fund with us, and because it contributed to warfighting, we were unable to fund it. But we were able then to get those funds put into quality of life facilities.

Mr. RAVENEL. Of course, at 88 percent they are making a substantial contribution. That's just excellent.

It looked like your greatest need was over there in Germany. Does not your CINC over there proposition the Germans for more help than we're getting on facilities?

General OFFRINGA. He does that very actively. However, in the European Theatre the funding situation is a little bit different in that it's normally done through the NATO infrastructure system. So what we need to do there is to go to NATO in order to get them to support the financing of various installations over there.

The one area that I think is most controversial right now is the fielding of new helicopters. We believe we now have agreement from NATO to partially fund the fielding of new helicopters. So, therefore, we will be expecting, we hope, some reimbursement in the future for part of the cost that we have put into fielding those new helicopters.

Mr. Ravenel. Thank you, sir.

Finally, I would just like to echo what my colleague from New York had to say about the situation in Panama.

Thank you, Madam Chairwoman.

Mrs. Schroeder. Thank you very much.

One of the questions I had, too, is the law is expiring on several test programs this year. The 801 family housing domestic leasing and the 802 domestic rental guarantee, and 2809, the long-term leasing.

Can each of you comment on whether these programs have worked for you and whether or not they should be extended, because we will have to deal with that in this year's bill, I think, otherwise, they are gone.

General Offringa. Madam Chairwoman, I'll go ahead and lead off.

Mrs. Schroeder. Sure.

General Offringa. We would ask you to extend all those authorities because we feel in the Army that they have contributed immeasurably to providing us things that we could not get through the normal investment program.

Mr. Stone talked about innovative ways of doing things. The 801 program, used in conjunction with the construction investment program, has provided us about 7,500 housing units that probably would take us a very long time to get through the investment program. Many of these housing units are quite good and are providing good quality housing for our people.

The 2809 authority we would like to have extended because we think that we have some rather exciting initiatives going on in that area that have a potential, if the test works out, to provide us some great opportunities in the future.

The provision of services through this contracting, such as the laundry that we are tentatively putting together at Fort Jackson and a maintenance facility in Fort Polk, have great payback potential in terms of increasing our efficiency and allowing us to procure these services at a more efficient rate than we could do if we built the facilities with military construction money and then provided the services through either direct contracting or through direct payment to our people.

So if you are looking in terms of using all the weapons in our arsenal to get the most efficient way of producing a good in the service, I think that these authorities give us that option to mix and match and use the authorities where we can get the biggest payback.

Mrs. Schroeder. Does anybody disagree with that? Maybe that's the easiest to say.

Admiral Montoya. I second all he said but I want to add that I know that there's an argument of sorts that comes forth at times that you are making a transfer from one account to the other when you enter into one of these contracts. But we recognize that and I feel that's no reason to cut off those opportunities; because if there is a transfer, we make it consciously. Therefore, we understand the long-term implications, for example, of an 801 housing program. When it comes to the point where we cannot afford O&M leasing, then we will in fact go to military construction.

So we will continue to balance, but we would like to have that option available to us—when the needs dictate, we will use it.

Mrs. SCHROEDER. Anybody else have anything to say?

General AHEARN. I would like to, Madam Chairwoman, speak to the 801 authority specifically. We have been successful in fielding, building, completing, occupying now 900 units of new family housing. We have nearly 2,000 about to come to contract. We have invested heavily in the pursuit of new assets, using the 801 authority. Nine hundred, for instance, at Whiteman Air Force Base, to handle the bed-down of the B-2 airplane.

We need the extension to be able to consummate and deliver those family housing units for those 2,000.

Mrs. SCHROEDER. So it would be fair to say that everybody is in favor of the extension of all three authorities?

General AHEARN. Absolutely.

Mrs. SCHROEDER. I see heads nod, OK.

General Ahearn, let me go back to NATO and Italy one more time.

This committee, as you know, is into burdensharing, and that's probably some of the focus that we've heard here today. We understand that you have negotiated with the NATO to construct 2,000 units of family housing in Crotone; is that correct? Could you explain what that agreement is?

General AHEARN. Yes, ma'am. What that agreement is, is that the NATO infrastructure program will pre-finance the capitalization of the 2,700 units, so that we can design and construct and field those units. We are doing that in collaboration with Admiral Montoya's Navy Facilities Engineering Command.

When we occupy them then we begin to replenish the NATO coffer. We do that for a period of about 10 years to repay NATO for the capitalization made.

Mrs. SCHROEDER. Do we pay interest on that?

General AHEARN. No, ma'am.

Mrs. SCHROEDER. I tell you, one of the things that we have been upset about on this subcommittee that you might pass on is that with our burdensharing responsibilities and everything else, we have not been able to get any of the CINCs to come testify about the pavement they want us to pour in lots of different places, whether it's in Panama, which Congressman Martin has been talking about, and other places; and whether we're still going to be in these places how many years from now, and so forth. We think that that's a real leap of faith. We're just supposed to sign off without any of that.

This whole Italian move I think is very troubling to us because we get different stories every day. Congressman Ireland introduced a bill asking to reduce the 20,000 to 25,000 troops that were supposedly in Europe for INF purposes and has now been told that the agreement with Italy was those were to be transferred for security, because while the Spanish provided security for the bases, the Italians were refusing to do that, and we would need those slots.

Now, that is very distressing to us and it means that we will need even more money and more things. But we get different stories every day. We would appreciate it if you could all pass through to the CINCs that we think a lot of those recommendations may be in trouble this year if we don't have a little more information. It keeps trickling out to us at different levels.

I think, too, to overlook our base closing jurisdiction, which has really been a lot of fun, let me ask a couple of questions that I don't think we've hit on yet that have troubled a lot of our colleagues.

General Offringa, the partial closure of Fort Dix left that whole New Jersey delegation with a question about that $26 million sewage treatment plant that's requested in the 1991 budget.

What is that status?

General OFFRINGA. First of all, I should point out the sewage treatment plant supports not only Fort Dix but it also supports McGuire Air Force Base. If we were not to upgrade that facility to meet the current standards for sanitation, we would then have McGuire without adequate sewage. The capacity of the facility that we have planned is not going to exceed that to support McGuire plus the use for Reserves or whoever else may use Fort Dix while it's kept in a warm status.

Mrs. SCHROEDER. So will you be bringing down the amount of that request before the request will go forward?

General OFFRINGA. We still need the upgrade of the sewerage treatment plant, and I believe that the dollar values associated with that project are still valid. However, I can provide you an update for that if you would like.

Mrs. SCHROEDER. If you could, that could be very helpful.

[The following information was received for the record:]

FORT DIX SEWAGE TREATMENT PLANT

After the announcement of the Base Realignment and Closure Commission, we preliminarily reviewed the scope and price of the sewage treatment plant at Fort Dix and believe that the project is properly sized for the future requirements, including the reserve mission, of this installation. The major command will conduct a detailed analysis of mission requirements after implementation of the base realignment recommendations so that the plant, which serves both Fort Dix and McGuire Air Force Base, will be properly sized and priced.

Mrs. SCHROEDER. Also, we were wondering if the construction of chemical demil facilities are going to meet the legislative requirement date of disposal of the U.S. stockpile. Is that going to come on line?

General OFFRINGA. We are still on schedule with all of the chemical demil facilities, yes, madam.

Mrs. SCHROEDER. Admiral Montoya, I just have one—it sounds like a petty question but I am a little concerned about $48 million at the Naval Academy for an addition to one hall?

That sounds like a lot of money to build a wing.

Admiral MONTOYA. Bancroft Hall is big and needs to grow some more. When I went through, we had six wings. Shortly after I graduated, we thought we needed two more for one reason or another. We did. We added wings 7 and 8 in the early 1960s. The brigade of midshipmen at the time was in round numbers around 3,400 or 3,500. Those two wings were added to accommodate already crowded conditions when we had six wings.

Now the brigade hovers around 4,400 midshipmen, a growth of nearly a thousand. I have visited over there a number of times since, particularly when the request was being worked up a couple of years ago looking at what has happened at the Naval Academy over the years.

What we have now is unsatisfactory, but we were able to accommodate three people in two-men rooms for these many years. But over time what has happened is we have changed our educational techniques and technology has come to what it has. We now have every midshipman owning a personal computer or being issued one and buying it over time, and a printer. You go in those three-man rooms, three person rooms, and they are stacked in there like sardines.

Mrs. SCHROEDER. But $48 million just sounds like a lot for a dorm.

Admiral MONTOYA. Part of the cost is related to our heritage, that Bancroft Hall was built over 100 years ago and we are duplicating the architecture. We are facing not with the original type granite blocks that came from Maine some years ago, but now we are facing it with a 2-inch granite veneer, and that type construction does cost more than your regular barracks.

We are also adding in the basement to Bancroft Hall a capability for expansion of some needed facilities: weight rooms, locker rooms, for some of the intramural and varsity athletic teams—another area where we are left sadly lacking in space.

The high cost is attributed, to some degree, to the type of construction to keep the decor—as required, by the way, by the Annapolis Historical Society.

Mrs. SCHROEDER. Since we started out giving you accolades for doing cheaper child care, we wanted to point out the Army is doing their addition to their barracks for $7 million and you've got yours in for $48 million, so we think it's interesting how those different numbers

Admiral MONTOYA. I think a trip to Bancroft Hall would be recommended.

Mrs. SCHROEDER. General Ahearn, let me get back to base closing again. What about that runway replacement project at George Air Force Base which is now being closed. It was in for $16.5 million. Do you know, will that now be canceled?

General AHEARN. We have it on hold, Madam Chairwoman, pending the outcome of the decision for base closure.

Mrs. SCHROEDER. So that has not been spent yet?

General AHEARN. That's right.

Mrs. SCHROEDER. Also, could you tell me about Bolling Air Force Base, what is this National Capitol Music Center?

General AHEARN. Madam, that's one of the best projects we have in the whole program.

Mrs. SCHROEDER. Right.

General AHEARN. I mean that, it really is. It has to do with the very spirit of this capital, and it has to do with housing the Air Force's band and to all of its programs and modern facilities. I can't think of a better investment to make.

Mrs. SCHROEDER. Where are they now? Where are they living?

General AHEARN. They are in wooden buildings at Bolling and they are in leased facilities downtown. We could amortize the investment in 5 years.

Mrs. SCHROEDER. These guys in blue suits are good salesmen, huh?

General AHEARN. Really, I'm glad you brought that up. I'm glad you brought the project up because I would really like to make a special appeal for you to take a good look at that. From the institution's investment perspective, we see that very high on our priority list this year.

[Questions and answers for the record directed to the Air Force relative to the Bolling AFB band facility, following the March 7, 1989 overview hearing.]

BOLLING AFB BAND FACILITY

Question. Why do they need a new facility?

Answer. These buildings are all suffering from severe deterioration and cannot be economically upgraded. Further, they provide about half the required space, presenting severe shortages in rehearsal and storage areas. For example, instrument cases and other supplies are crammed into small loading areas; uniform lockers are scattered throughout all the buildings wherever they may fit; the $43 million music library is jammed into a small room without fire protection; and records and tapes are stored in rooms without adequate environmental control resulting in damage. Moreover, the floors in the second floor rehearsal studios cannot bear the weight of a grand piano; one building has recurring termite infestation with the extent of damage undetermined; and the rooms have virtually no acoustic treatment and lack adequate air conditioning. Last, the largest rehearsal studio cannot accommodate the entire band and choir. Because of the room's poor acoustics the band must lease space to practice prior to giving a performance.

The lack of storage space requires materials to be permanently stored in truck trailers. Interior hallways are so narrow and poorly configured that the walls suffer frequent damage from moving instrument cases through the labyrinth layout. Due to lack of working space, the band cannot always repair damaged instruments and spends approximately $33,000 annually for instrument repair. The lack of individual rehearsal rooms has band members practicing in closets, storage rooms, and even in bathrooms.

Question. What are they using now?

Answer. The band occupies 5 WW II wood and masonry frame buildings, one 1950s masonry building, and a portion of a WW II warehouse. These buildings house three rehearsal studios, two of which are located on second floors of old open-bay dormitories. In addition, the band spends up to $480,000 annually to rent rehearsal and recording studios. This project will provide recording capabilities and eliminate the need to rent recording and rehearsal studios.

Question. Why does the project cost so much?

Answer. We believe the cost to be reasonable for the intended purpose. The most cost effective solution is being pursued for this facility by renovating the old commissary (Hangar 2). Hangar 2 which is basically a sound permanent brick structure with sound structural steel roof trusses, was constructed in 1937 and regardless of who eventually occupies the building, substantial demolition of interior finishes and mechanical equipment must be performed before the building can be occupied. Because of the unique nature of the activities, special construction will be required in the recording studios to provide the acoustic isolation. Other elements of work include building new rooms and offices in areas that are presently open space, meat lockers, or warehouse. Also, the existing offices on the second floor of the building need to be renovated. The project will provide new mechanical and electrical systems throughout. The exterior will be returned to its original condition with new windows and doors.

Question. What is the impact if the project is not approved?

Answer. The band will be forced to occupy the same cramped, inadequate buildings they have occupied since the days when Glen Miller was the band director. The annual expenditure of almost half a million dollars on studio rental will continue. The buildings will require massive repair and upgrading, or will be condemned in the near future. The band may be forced to lease even more space off-base until a permanent solution is found. The poor working conditions will cause accelerating degradation of the band's ability to perform its mission of morale, recruiting and ceremonial support to the Air Force and the Nation.

Mrs. SCHROEDER. General Downs, we haven't gotten to talk to you enough, I guess, and I really must say I'm very troubled that your budget is down 32.4 percent. I just can't believe that relatively there is that much of a need for a drop in your budget.

What do you think happened?

General DOWNS. I think it's quite apparent and, again, it directly relates to the percentage of the Marine Corps monies that is spent on people. When we started putting together a program for 1990 that was substantially different from the one that got directed in December of 1987. In addition to that, we had to eat the increased cost of personnel. When you have 63 percent of your budget attributed to personnel and when you made some decisions in the late 1980s—economic decisions at that time for multiyear procurements of various weapon systems, and then you start looking at what's left to make directed substantial cuts, there isn't very much to attack. Those things that were attacked were, to the degree possible, some procurement; military construction; and operations and maintenance. That's the reason for the 9 percent decline in operation and maintenance and it's the reason for the 32.4 percent decline in MilCon.

It is certainly not the desire nor the ambition of the Marine Corps to spend less for military construction . We have $2.8 billion worth of validated requirements that we'd like to spend money on. We don't have adequate money to put toward it.

Mrs. SCHROEDER. I want to compliment you because I do think we need to think here about how this process works. I have always been impressed with the Marines that they have never come in and seemed to pad anything. Then whatever they give them, they say, well, we'll make this do anyway.

That's the attitude I would hope we reward; instead, we penalize it here, I think. So I hope that that's not continuing to happen.

Mr. MARTIN. I would say to the Chairlady that General Downs is used to that in his last 20 years in the service.

General DOWNS. I think one thing that puts our construction program into a little better perspective, perhaps, is that we are heavily supported by the Japanese in overseas construction. It is anticipated that $174 million plus will be expended by the Japanese on our behalf on Okinawa and at Iwakuni in 1989. That number is really not the representative number either, because that number is derived from the agreement on the Japanese Facilities Improvement Program of a yen-to-dollar rate of 220 yen to the dollar.

So, you could really take that dollar amount for fiscal year 1989 if you want to know what the true cost is to build it in yen and increase it by another 75 percent. That's what the Japanese are spending on our behalf. This doesn't help our situation in the rest of the world but we are constructing a good deal in support of our forces on Okinawa and at Iwakuni.

Mrs. SCHROEDER. Good. Thank you.

Congressman Martin.

Mr. MARTIN. Briefly back to the 801 housing and perhaps the Army has had a little more experience. I know the Air Force is up there around 1,000 units and the Navy is involved too. Having had an experience over the course of 3 or 4 years now, is there any inclination on the part of any of the services, or all of the services, to consider further whether you would continue 801 as you have in the past, or whether you would take out the maintenance portion of the contract and deal with that separately with perhaps a different individual or corporation than the one which constructed the 801 facility?

Admiral MONTOYA. I'll start leading off and make a generalization that I am opposed to any policy that requires you to go one way or the other with no alternative. That's where we are right now, and I'm not happy with that.

Some situations would call for buying houses and buying the maintenance also in the same contract because you're located in an area where it makes some sense. In other situations, you prefer to do otherwise.

Our argument is, for example, if you required a contractor that builds houses to have maintenance in the contract, he maintains them also. If that house is going to revert to him at the end of 20 years, it's insane for that contractor, number one, not to build a good house you can maintain easily and; second, not to maintain it, because there's a capital asset there available when the time is over.

The other way around, the Government ends up dealing with two contracts, and you can end up with a finger-pointing session—the maintenance contractor blaming problems either on the tenant or the guy that built it, who's long gone.

So we have some differences of opinion. I think it is that kind of a judgment that needs to be left to the services without it being mandated one way or the other. So I am not particularly happy with the current situation where we are required to award contracts with maintenance out.

Mr. MARTIN. Is that request for maintaining some type of flexibility, is that coming up with the request for an extension of the program? If not, why?

Admiral MONTOYA. No, it is not, because in my case, Mr. Stone has said, when you come to me with some data—and, of course, we don't have a heck of a lot of data since we are just starting a program. But General Hatch's predecessor and I met with him about a year ago, and we have agreed that when we get more information, more solid information, that we will come to him with a documented case. He will consider then coming to the Congress and seeking a slight change in the language that would permit both.

So it's fair to say that his mind is open and we owe him some additional information.

Mr. MARTIN. I would hope when you are doing that research or gathering your facts you would take one other thing into consideration—I do not have an opinion at this point. However, it has been brought to my attention that while it seems logical if you are going to build a facility and be looking to maintain it for 20 years and still have something of value, enhanced value, to sell out of the services or the surrounding community, or whatever, you would want to build it right and you would want to maintain it right.

But another question creeps in here is our wonderful supercomplicated tax structure in the United States as to at what point along that 20-year curve does it no longer become an incentive for the builder to maintain the property and spend considerable money—after 7 years when you have made your rehab—as to whether or not it would logically be in their best interest, given the tax law and other considerations, to spend as much on maintenance as a neophyte like me might think he would want to, to have a quality product after 20 years?

Admiral MONTOYA. We have attempted, of course, without test, to structure our contracts such that we could default or have a partial default of the contractor that did not meet a maintenance standard where the Government could in fact then take over and charge him for that maintenance that wasn't there; at the same time, continuing to pay the contractor for the occupancy portion, if you will.

So we think that we have found a way to give us a leverage, to extract performance, if need be, for the life of the contract.

Mrs. SCHROEDER. Congressman Ravenel.

Mr. RAVENEL. Explain to me how those 801 contracts work? You seem to have a lot of latitude and they seem to be variable type contracts. You all don't guarantee in any instance, do you, you don't guarantee the contractor an occupancy level, do you?

Admiral MONTOYA. No, sir, the 801 contract is another form of acquiring public quarters for a 20-year period essentially. You enter into a contract where the contractor builds and leases back to the Government those quarters and they become part of our inventory. We assign people to them as if they were ownership of the Government, and we take people's BAQ's. So we keep them fully occupied and then we maintain them either by the contractor that built them or in our case now by a separate contractor.

The 802 program, however, is a rental guarantee program. Whereas, he builds and then we guarantee a certain level of occupancy at a predetermined price, and then our personnel pay the contractor rent under that program.

So those are the two distinctions that we see.

Mr. RAVENEL. Which type contract has been, in your experience, has been preferable?

Admiral MONTOYA. We prefer the 801, the former, because we have, I think, closer supervision and closer control of management of the whole process. We have also been more successful with the 801. We have had no success yet with the 802 program. I am not certain why, but we have not been able to induce interest.

Mr. RAVENEL. Thank you, sir.

Mrs. SCHROEDER. Everyone is done?

This is the most amazing thing I have ever seen. We have folded morning and afternoon into morning.

We thank you all very much for being here. We will look forward to seeing what the next budget looks like and how we all work it out. Thank you for your patience, your flexibility, and your concerns this morning.

With that, the hearing is adjourned.

[Whereupon, at 12:05 p.m., the subcommittee was adjourned.]

[The following questions were submitted to be answered received for the record:]

Revised Budget

QUESTION: Wasn't it said that the details of the Bush Budget would come within 60 days of his message? When are we going to see the details? Where is the process now?

ANSWER: The Department plans to submit the amended FY 1990/1991 President's Budget by late April. Currently, Service proposals are being evaluated by the OSD staff.

QUESTION: Will the Bush Budget merely be the Reagan Budget with a few deletions? Or, will it be new priorities for each Service?

ANSWER: The "Bush Budget" will reflect the President's priorities for each Service. Some major initiatives will be revised while others will remain unchanged.

BUDGET REQUESTS

Question: The budget requests $500 million for the Base Closure Account. What will this be used for? Will you need this much in Fiscal Year 1990? Where did this money come from? Was it taken out of Military Construction and Family Housing?

Answer: The Department is requesting $500 million in both FY 1990 and FY 1991 to enable us to execute the closure actions in the required time frame and quickly begin to realize savings. The majority of these funds will cover military construction needed to prepare receiving installations for increased mission and mission support. There are also costs related to relocation of personnel and equipment. Costs will be incurred at closing bases for shut down and caretaker activities together with increased outlays associated with reductions-in-force and early retirements. These funds will also cover the Homeowners Assistance Program, some environmental clean-up activities, and assistance to communities who are losing a military installation. This budget request was not taken out of Military Construction and Family Housing.

Inflation Rates

QUESTION: What inflation levels are you assuming in the budget for fiscal year 1990 and fiscal year 1991?

ANSWER: For Military Construction, the Department is assuming a 3.2% inflation in fiscal year 1990 and 2.8% in fiscal year 1991.

QUESTION: This is the first time in many years that you have requested a decrease in Military Construction.

Did the Services ask for real increases and get cut by OSD? Does OSD believe that the need for Military Construction has decreased?

ANSWER: The Service budget requests, in total, kept up with inflation, allowing no real growth over the fiscal year 1989 Military Construction Appropriation. Reductions in the program were made to fund other high priority programs in the Department. The Office of the Secretary of Defense does not feel that the need for Military Construction has decreased, but competition for scarce resources with other high priority requirements limits the amount of resources available for Military Construction.

Question: How do the privatization programs you talked about contribute to increasing the military construction budget? Do they just transfer costs between military construction and operations and maintenance?

Answer: Private investment does not materially offset budget reductions in military construction. We have been able, with the help of Congress, to obtain some private investment in needed defense facilities. This investment, which has been quite modest, has been intended to supplement our MILCON Program and not as an offset to reductions made necessary by today's fiscal constraints. The MILCON approach is, and will continue to be, our primary means of obtaining needed projects. Private investment will permit us to acquire housing and similar facilities which were unable to successfully compete with other pressing requirements. The most successful of the private investment initiatives, thus far, has been housing obtained under the build-to-lease approach authorized by Section 801 of Title 10 United States Code. We have authorization for approximately 16,000 units and have about 5,000 units under contract. As you can see, this modest success does not significantly offset the budgeted 8 percent negative growth in our overall Military Construction Program.

Question: Please provide for the record a complete list of all privatization programs underway or under consideration.

Answer:

Description	Authority
o Build-to-Lease	Section 801, Title 10 U.S.C. 2828
o Rental Guarantee	Section 802, Title 10 U.S.C. 2821
o Long Term Energy Contracts	Section 2394, Title 10 U.S.C.

o Lease nonexcess government-owned land	Section 2667, Title 10 U.S.C.
o Long Term Facilities Contracts	Section 2809, Title 10 U.S.C.
o Shared Energy Savings Contracts	Section 8287, Title 42 U.S.C.

Question. The dollar has gotten weaker over the past few years. How much has the military construction budget increased as a result of dollar devaluation?

Answer. The military construction budget has neither increased or decreased as a result of foreign currency exchange rates. The budget represents the Department's priorities for military construction projects that are required in support of mission requirements. There is no comprehensive level-of-effort baseline to which foreign currency is added or subtracted.

Question. Has the foreign currency fluctuation account brought the currency problem under control?

Answer. Only stable long-term international rates of exchange will mitigate currency exchange impacts on the military construction/family housing programs. The currency fluctuations account has been beneficial in providing the transfer authority to readily fund exchange losses when they occur.

Question. In real terms the military construction program for fiscal year 1990 has declined 8.2%. If you adjusted our military construction to account for the weaker dollar, how much steeper would be the decline?

Answer. A comprehensive data base for addressing this matter is not available. The budget reflects a mix of projects that support the Department's objectives. Some of these projects are proposed for overseas locations. A number of pricing changes are made to projects from concept, through design, and finally inclusion into the budget. The portion of any pricing changes that is attributable to foreign exchange rates or any other reason such as scope, siting, or other change, cannot be provided with complete accuracy.

Geographical Comparison

Question: You request 18% less in nominal terms for spending inside the United States and 13% more for spending outside the United States in this budget. Explain.

Answer: Our request is based on requirements for facilities without setting goals for inside or outside of the United States. Even though our request for construction outside the United States this year is higher than what was appropriated last year, it is less than what we requested for construction outside the United States last year. One of the reasons our overseas request for construction is at its current level is because previous overseas construction requests have been reduced by the Congress, and the requirement for facilities remains unfulfilled.

QUESTION: When we build overseas, ordinarily it is on land we do not own. Hence, if we abandon a base, such as after the INF treaty, or as a result of troop withdrawals, can we recoup costs? I would appreciate an oral answer and a complete country-by-country answer for the record.
ANSWER: All construction overseas is on land provided by the host nation. Bilateral agreements generally cover all aspects of land use; design and construction of facilities; maintenance and repair responsibilities; and provision and payment of utilities. Agreements also address disposition of facilities no longer required by U.S. forces due to mission changes, reductions in military personnel and/or dependents, or those instances where a complete installation is being vacated. Normally, payment of residual value is a matter for negotiation and is not predetermined by a formal set of guidelines. In the specific case of INF bases, all of the bilateral agreements called for negotiations regarding payment of residual value should the bases be vacated by the U.S. Presumably, if a host nation had no military or commercial interest in the facilities vacated, there would be no residual value and, hence, no recoupment.

PENTAGON CONSTRUCTION

Question: The budget includes $5.3 million for planning and design of a renovation project for the Pentagon. In 1991, we start spending on the $533 million project. What are we buying for this amount of money?

Answer: The 47 year old Pentagon building has suffered from decades of neglect and under-funded repair and maintenance programs. As a result, many building systems have deteriorated beyond the point of economical repair and will require total replacement. None of the original major building support systems have ever been replaced or significantly upgraded. The electrical, HVAC and plumbing systems need to be replaced to ensure continued service to the building, to bring the systems up to modern standards and to provide for increasing loads. The original plaster ceilings contain asbestos and there is asbestos insulation on the plumbing. This asbestos will be removed. Interior and exterior finishes will be restored and the windows will be replaced. The Pentagon Heating and Refrigeration Plant is even in a more serious state of disrepair and construction of a new plant is critical. None of the four original coal fired boilers are operational. The plant operates with a built-in oil fired boiler (circa 1973) and three rented oil fired package boilers. Only two of seven chillers are operable. The plant is operating with two 2,500 ton chillers and two 1,000 ton rented chillers. Interim repairs will be completed before the start of the cooling season. Because of heightened concerns for security, the security perimeter of the Pentagon concourse was moved from the foot of the ramps to just inside the metro entrance, effectively enclosing the concourse within the security perimeter. Checkpoints were temporarily installed, with the permanent improvements planned as a follow-on project. The permanent security improvements are needed, especially since 40 percent of the employees (9,000) use the concourse entrance to the building.

The Fiscal Year 1990 planning and design request includes $4.0 million for design of a new Pentagon Heating and Refrigeration Plant and $1.3 million for design of security improvements for the Pentagon concourse, a total of $5.3 million. Construction of these two projects is programmed to begin in Fiscal Year 1991. Design of the first increment of the renovation of the Pentagon building is programmed, for Fiscal Year 1991, with renovation of the Pentagon building programmed for Fiscal Year 1992.

Question: Please explain pre-financed NATO eligible projects. Please provide for the record a list of all such projects in the 1990 and 1991 budgets.

Answer: Prefinancing is the use of U.S. appropriated funds for projects that are eligible for NATO Infrastructure funding. Recoupment of these funds occur when adequate NATO funds become available and the projects that have been prefinanced are included in annual Infrastructure program. In the past, prefinancing was requested when NATO funds were inadequate to accommodate all priority U.S. facility requirements. In 1984, the Allies agreed to a significant increase in infrastructure funding levels for the six year period 1985-1990. As a result, the increase in funding permitted programming of most U.S. requirements and we have not had to request prefinancing. "Precautionary" prefinancing statements are often submitted to NATO for projects that are likely candidates for future NATO support in order to protect the Department's right to recoup funds at a later time. These "precautionary" statements are also submitted for projects that are being supported with appropriated funds concurrent with U.S. efforts to obtain Infrastructure eligibility and NATO support. At the time appropriated funds were approved for the Air Force Weapons Storage and Security System (WS^3), the program was not eligible for NATO funding. "Precautionary" prefinancing statements were noted at NATO and the U.S. initiated a request for Infrastructure eligibility. In October of 1988, the allies agreed to fund the WS^3 program; however, in the interim, a contract was awarded to the Bechtel Corporation of California. Although the program is now eligible for infrastructure funding, initial NATO funds will not be available until early 1991 due to the lengthy NATO process of project screening and approval. Consequently, prefinancing is required in FY 1990 and 1991 in order to continue progress payments to the contractor. Prefinancing requested in the current budget request follows:

FY 1990

Base	($000)
Aviano Air Base, Italy	1,300
RAF Bentwaters, U.K.	2,450
RAF Upper Heyford, U.K.	5,350
Total FY 1990	9,100

FY 1991

Base	($000)
Ghedi, Italy	550
Rimini, Italy	510
Incirlik, Turkey	3,700
RAF Lakenheath, U.K.	4,950
Total FY 1991	9,710

Once direct NATO funding becomes available, any unobligated U.S. funds can be deobligated. Subsequent NATO programming will provide recoupment of U.S. already expended on this project.

Investment Rates

QUESTION: A recurring theme throughout your statements is that we must do more to revitalize the existing physical plant of the military. You stated that the current budget request represents a 2.8% investment rate while the investment rate for the private sector is three times as high. So, as the DoD witness, please justify the current inadequate investment rate.

ANSWER: Military Construction competes for scarce resources with other high priority programs in the Department of Defense. There are not enough resources to fund everything and facility investment has not been perceived as a high enough priority to receive additional funding.

QUESTION: How do you get to a 2.8% investment rate? You have said that 25% of the budget request is for replacement or modernization and you have also stated that the plant value is $580 billion. A quick calculation gives me a .4% rate which equates to a replacement rate of over 200 years.

ANSWER: The 2.8% is the total facility investment consisting of military construction, family housing construction, construction funded by the NATO Infrastructure Program, construction funded by the Japanese and Korean governments, construction funded through nonappropriated funds, private sector funded facilities, real property maintenance funding and family housing maintenance funding compared to the plant replacement value.

QUESTION: Your testimony in prior years has raised the same issue of inadequate investment. Why have you been unsuccessful in this area?

ANSWER: Facility investment competes with other areas of Defense spending, such as pay, weapons systems, and must pay items like utility bills. The mindset has been that when money gets tight, older buildings "will suffice" for another year. I am working to change that mindset both in the Congress and in the Pentagon, but it is a long process.

MILITARY CONSTRUCTION

Question: Please tell me precisely the effect of the base closure report on the military construction budget presented. Are there items in this budget which are no longer necessary? Are there items which will now be paid out of the Base Closure Account?

Answer: In the FY 90-91 President's budget, submitted to Congress in January, the MILCON portion contained $16.8 million in FY 90 and $18.9 million in FY 91 for construction projects which will no longer be required as a result of implementing the commission's closure and realignment recommendations. Shortly, we will submit an amended FY 90-91 budget which will reflect the deletion of these projects no longer required. There are no items in the President's budget request which could now be paid out of the Base Closure Account.

Question: Will all military construction costs associated with any base closure or realignment be paid exclusively out of the Base Closure Account? What happens if that account runs short?

Answer: The Base Closure Act allows the expenditure of funds from appropriations other than the Base Closure Account to support implementation of the Base Closure Commission recommendations. Accordingly, the Services plan to submit an FY 1989 military construction reprogramming request providing the necessary funds to initiate planning and design of the new construction requirements resulting from base closure or realignment actions. Funds appropriated for projects no longer required due to anticipated closure will be employed as sources of funds for the reprogramming. Action is being taken in FY 1989, before appropriations are available in the Base Closure Account, to promote maximum efficiency in carrying out the Commission's recommendations.

After January 1, 1990, it is anticipated that future military construction costs related to base closures or realignments will be funded from the Base Closure Account provided that:

- The $500 million Base Closure Account funding is appropriated as requested in FY 1990 and FY 1991.
- Revenues from asset sales are realized at the levels estimated in the Commission's report.
- Congress approves the request for transfer authority.

ENVIRONMENTAL CLEANUP

Question: With reference to the priority list established by the Department of Defense for environmental cleanups, i.e., worst first; would you support legislation that would restrict the

expenditure of funds from any account, i.e., Defense Environmental Restoration Account, the Base Closure Account, military construction accounts, O&M, etc., outside of the priority list for any environmental cleanup action?

Answer: The Department of Defense policy to use Defense Environmental Restoration Account funds for environmental cleanup action on a worst-first priority basis is based upon Congressional intent for the use of these funds as well as prudent management of public funds. Other accounts, such as Base Closure and O&M, have other purposes. Base Closure funds may reasonably be used to expedite cleanup and therefore result in quicker sale of the property at a benefit to the government. O&M funds are used to fund cleanup of current problems and should be attributed to the cost of doing business, such as cleanup to obtain operating permits. It does not appear prudent to apply the worst-first priority system to the expenditure of funds from all accounts since the different accounts are used for different requirements and different purposes.

General Provisions

Question: Are there any general provisions to be included in this year's request? If so, when will we receive them?
Answer: Yes, there are general provisions awaiting clearance from the Office of Management and Budget. They will be provided to you as soon as they are cleared, which will be after the budget revision currently underway is completed. That will probably occur in early May.

Panama

Question: I have heard that, at long last, a report by the Department of Defense concerning its plans in Panama between now and 1999 was completed a week ago today. When will we be able to review this report?
Answer: The report on the Department's plans in Panama was signed and delivered to the Chair and Ranking Minority Member of both the House and Senate Armed Services Committees on March 3, 1989.

Two-Year Budget

Question: This year's submission is the second time that you have had to submit a two year budget request. What have you learned since the first two-year submission?
Answer: We have learned several things, first among them is that without the full support of the Congress, the two year budget process is only partially successful. Coupled with bipartisan budget agreements, this two year submission should be much more accurate than it was during the original two year budget submitted for Fiscal years 1988 and 1989.

QUESTION: Over the past few years, we have expended nearly $360 million for GLCM facilities in Europe. Since the INF treaty rendered these facilities obsolete, what is the Department planning to do with them? Can any of these existing facilities be used for other missions? Is there any money to be saved by transferring them to European governments?

ANSWER: In a classified report forwarded to the Committee on March 22, 1989, the Department provided details on candidate alternative missions for all the GLCM and Pershing II bases with one exception. However, several new proposals have been surfaced that could utilize some of the facilities and these will be explored during the drawdown period. The construction at the GLCM sites was specifically tailored for the missile missions and many of the facilities do not readily lend themselves to a wide range of alternative functions. Additionally, subsequent use of these bases must take account of the sensitivity of alternative missions as all sites will be subject to inspection by the Soviet Union over the next several years. Host nations acceptance of any new mission is also required and, as well, NATO approval of the use of any NATO funded infrastructure. The proposals outlined in the March report should not be considered a final U.S. position as the review of various options will continue throughout the drawdown period. Periodic reports will be provided to the Congress. Bilateral agreements covering the design, construction, and use of the GLCM facilities were executed with each of the five host nations and also provide for negotiations on the payment of residual value should the base be vacated by the U.S.

Question: You talk a great deal about alternative schemes to get construction accomplished. Is it not true that build to lease and other such methods merely defer costs to future years? Do they, in fact, save the taxpayers any money in the long term?

Answer: Our Build-to-Lease authorities are currently quite limited, as typified in 10 U.S.C. 2809 and 10 U.S.C. 2828(g). By agreement with the Congress, we are required to demonstrate that any such proposed long term facility contract under either authority is at least five percent less costly to the taxpayer than the alternative of government ownership, by net present value economic analysis in accordance with generally accepted accounting principles approved both by the Congress and by the Office of Management and Budget (OMB). In such contracts, we are effectively securing the use of a facility or service for a limited term, at a cost to the taxpayer that has been demonstrated to be less costly than the cost of ownership under similar circumstances. Obviously not all situations can reflect such potential savings to the taxpayer, with the end result that privatization initiatives can never replace MILCON authority, only augment it when economically justified.

Increased Commanders' Authority

Question: Two years ago, Deputy Secretary Taft issued a new directive that expanded the authority given to all installation commanders to decide how best to accomplish their missions. What has been the results of this program? One result that we have learned of is a base commander building a multi-million dollar officers' club at an overseas location.

Answer: Commanders have used their new flexibility to get more defense capability without more resources. Renovation of the officers' club is an independent action totally unrelated to Mr. Taft's directive to expand the authority of installation commanders.

The MWR Panel of the House Armed Services Readiness Subcommittee directed the DoD IG to investigate the officers' club in question. The draft IG report is currently in the edit process. Once printed, the Air Force will have the opportunity to respond. The report will then be finalized and submitted to the MWR Panel - approximately 60-90 days.

QUESTION: What is the status of Radon Testing at Military Facilities, Family Housing, and Schools?

ANSWER: In accordance with requirements of the Indoor Radon Abatement Act which was added as a new Title III to the Toxic Substances Control Act, the Department of Defense (DoD) is conducting Radon Assessments in all DoD owned buildings. The DoD will be submitting the individual military component's study designs to the U.S. Environmental Protection Agency by July 1989 to comply with this regulation.

Each of the military components have prepared Radon Assessment and Mitigation Plans. The assessment portion of the plans is currently ongoing with some of the work being done in-house and some under contract to commercial organizations. In general, the current assessments are screening surveys at facilities rather than assessments of every building. However, all buildings should be monitored by June 1990 deadline.

QUESTION: Concerning the base rights negotiations in Greece, it appears that there will not be a decision made until late this summer. Do we have a plan for relocating the units at Athens? Are we going to wait until we have barely 10 months to execute a withdrawal before we decide where to go?

ANSWER: Under the provisions of the Defense and Economic Cooperation Agreement (DECA) that terminated December 20, 1988, the United States has 17 months to vacate the bases unless a new agreement is reached. While current negotiations are considered positive, a final decision is not expected until after the Greek Parliamentary elections now scheduled for June 18, 1989. There are a number of contingency options that have been under review by the U.S. European Command (HQ EUCOM). However, execution of these options is not considered appropriate in the absence of a final decision by the Government of Greece.

B-2 PROGRAM

Question: What is the total construction cost associated with the B-2 by base and fiscal year?

Answer: The B-2 MILCON request in the Amended President's Budget is as follows:

($M)

FY 90	FY 91	FY 92	FY 93	FY 94	Total
132.3	139.8	246.4	258.2	270.0	1,046.7

Question: When will additional bases be announced?

Answer: Base announcements will coincide with each follow-on base's first year MILCON request in the President's Budget.

Question: $50 million was deferred for construction at Whiteman AFB in fiscal year 1989 - $30 million by the Air Force and another $20 million by Congress. What impact does this action have on the ability to meet the IOC?

Answer: The fiscal year 1989 Air Force MILCON request of $79.5 million was based on the requirements of the B-2 delivery schedule. The $20 million general reduction levied by Congress resulted in the deferral of projects for a Mission Operations Center ($5.7 million), Maintenance Control Complex ($4.2 million) and a portion of the Hydrant Fueling Distribution System ($10.1 million). These projects were moved to the fiscal year 1990 program requiring movement of other fiscal year 1990 projects to fiscal year 1991 and so forth. As a result, several much needed facilities will be from several months to a year late.

The Air Force funding strategy for the $630 million B-2 MILCON requirement at Whiteman AFB requires phasing over a six year period to achieve a manageable program. Each MILCON cut or deferral creates a ripple effect throughout the entire program and further complicates program management by introducing an additional requirement for workarounds.

Facility delays and subsequent workarounds will have a detrimental impact on successful fielding of the B-2 during the aircraft ramp-up period. Future MILCON cuts will delay more facilities and add to the workarounds that are already projected. These cumulative workarounds will reach a point where achievement of an operational capability will be jeopardized.

Question: At least part of the $50 million reduction in the military construction budget request was deferred because of questions relating to the configuration and type of construction required for hangars at Whiteman AFB. Have those questions been resolved? If so, what was the decision on hangars? At what cost?

Answer: The decision to provide a dock for each B-2 aircraft had already been made prior to submission of the fiscal year 1989 amended budget. In-dock refueling was the only configuration question remaining related to dock construction. This issue was resolved in Aug 88 with an Air Force decision to refuel the aircraft in the docks. The cost of each dock in the fiscal year 1990 amended budget is $4.74 million. With each future budget submittal, the Air Force will adjust the MILCON request for docks to coincide with actual aircraft delivery.

Question: What are the options for types of shelters?

Answer: The type of dock required in support of the B-2 is driven primarily by aircraft design, basing, aircraft dimensions, operational and maintenance concepts and by those safety features required to hangar any aircraft. The current design of the docks is structured to specifically accommodate these conditions and/or requirements. It represents the minimum essential features and capabilities necessary to successfully meet B-2 operational requirements.

Question: Why are special individual shelters required for the B-2?

Answer: Special shelters are not required, however, because of the unique features of the B-2, the Air Force will shelter 100 percent of the aircraft. Individual shelters are required for each B-2 for maximum effectivity of maintenance on low observable components, fire protection, environmental protection, physical security and safety. Existing hangars are being modified to accommodate the B-2 maintenance function and will serve as shelters for some of the aircraft.

Question: How do you care for other aircraft?

Answer: The advanced technology, high cost, and mission requirements of the B-2 require dock space for each aircraft. Other aircraft have generally been cared for in a manner consistent with their design, support and mission requirements. For example, in European high threat environments, fighter aircraft are protected in hardened shelters. At CONUS locations, fighter interceptor squadron aircraft are protected in alert shelters. Also certain reconnaissance aircraft (SR-71, TR-1) are sheltered for maintenance and security purposes. For other fighter, bomber, transport and miscellaneous types of aircraft at CONUS locations, covered maintenance docks and open apron parking spaces are provided according to established rules for each specific type of aircraft.

FISCAL YEAR 1990-1991 MILITARY CONSTRUCTION—GUARD AND RESERVE

House of Representatives,
Committee on Armed Services,
Military Installations and
Facilities Subcommittee,
Washington, DC, Thursday, March 9, 1989.

The subcommittee met, pursuant to call, at 10:25 a.m., in room 2216, Rayburn House Office Building, Hon. Patricia Schroeder, (chairwoman of the subcommittee) presiding.

STATEMENT OF HON. PATRICIA SCHROEDER, A REPRESENTATIVE FROM COLORADO, CHAIRWOMAN, MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

Mrs. Schroeder. Let's reconvene. We are going to start down with this very distinguished panel that we have here, who has been very patient with us. We thank you for your patience.

First, we have John Rosamond, who is the Deputy Assistant Secretary for Reserve Affairs, from the Department of Defense, whom we are very pleased to have. We have Brig. Gen. William Navas, who is the Deputy Director of the Army National Guard; Brig. Gen. Roger Bultman, who is the Deputy Chief of the Army Reserve; Rear Adm. Richard Chambers, Deputy Commander of the Naval Reserve Force; Brig. Gen. Michael Downs, Director of the Facilities and Services Division of the U.S. Marine Corps; Brig. Gen. John McMerty, who is the Deputy Director of the Air National Guard; and Brig. Gen. Shirley Carpenter, who is the Deputy Chief of the Air Force Reserve.

We welcome every single one of you.

Mr. Rosamond, why don't you kick it all off and we are on our way.

STATEMENT OF JOHN B. ROSAMOND, DEPUTY ASSISTANT SECRETARY FOR RESERVE AFFAIRS (MATERIEL AND FACILITIES), DEPARTMENT OF DEFENSE

Mr. Rosamond. Madam Chairwoman, I would be delighted to do that. I would like to speak informally and have my statement inserted for the record.

First, I would like to thank the committee and its distinguished members for the support that this committee has given the Reserve component programs. I am pleased to be here today and to present an overview of the Department of Defense's military construction program for the National Guard and the Reserve.

I have a few points that I would like to make and I will be succinct. First, I would like to assure the chairwoman that I believe that the gentlemen at this table are the best managers in MilCon within the Department of Defense. They have done an excellent job. Their program is executed in a timely manner and I just can't say enough about them.

I would like to turn to the heart of the hearing this morning, and that is the fiscal year 1990 and 1991 military construction budget. As you know, the budget for fiscal year 1990 is approximately $466 million and addresses approximately 222 projects.

Likewise, in fiscal year 1991, the budget is roughly $399 million and addresses 191 major projects.

I would like to address these funding levels and assure the committee that the program was fully debated in the budget process within the Department of Defense and received the highest levels of visibility, which is attested to by the letter of 7 February from the Deputy Secretary, Will Taft, on these deliberations.

Obviously, as part of the administration, I support the president's budget.

One aspect of managing the Reserve components that I would like to touch on and solicit your support is the concept of split funding for our projects that was permitted in fiscal year 1989. That concept of management assists us and eliminates many reprogramings and is just an excellent management tool. I hope the committee sees fit to foster it in the future.

The committee also, in its report last year, asked me personally to address the Department of Defense's advanced design concept of projects prior to submission in the budget. This we have done. I believe, Chairwoman Schroeder, I sent you a notification of the action I took on that and if I may briefly; we delegated the advanced design concept, approval or waiver of that to the service secretaries, and to report to us, prior to the submission of the budgets, any projects that they waivered this on. They have done that. The concept is still in place; a waiver authority is there and we foresee no problems. I certainly attribute that effort in the design process within this program as contributing immeasurably to the execution record of the program.

I would be remiss if I did not comment on base closures. I would just like to make one point on that. I have reviewed the Commission's report. I support the report as written. I think it is a good report. I think the leadership of that Commission did a tremendous job.

With respect to the Reserves, the report did not hurt the Reserves in terms of closures, et cetera. In fact, as the closure process and the planning process is addressed in subsequent months, it might be that the Reserve components are held whole as a result of the report. I foresee no problems, in other words. We can certainly live with it.

In closing, Madam Chairwoman, I would just like to make three other minor points. The appropriations that we are talking about today provide excellent training facilities for our Reserve components. It also provides maintenance facilities for the equipment that is coming to the Reserves. At this point, the equipment flow to the Reserve components is higher than it has ever been in the history of the Nation. I think the appropriation supports, without question, the resolve of the Nation to have a strong defense and total force.

Madam Chairwoman, I stand ready to address your questions and proceed with the hearing as you so direct.

I thank you.

PREPARED STATEMENT OF JOHN ROSAMOND, DEPUTY ASSISTANT SECRETARY FOR RESERVE AFFAIRS, DEPARTMENT OF DEFENSE

Madam Chairwoman and members of the Committee. It is a pleasure to appear before this committee and present the Department of Defense overview of the National Guard and Reserve military construction program. I would like to acknowledge this committee's strong support of the Reserve components programs and the part you have played in enhancing readiness of the Reserve forces by providing first class facilities for Guardsmen and reservists to perform maintenance and training. Your support has enabled the Reserve components to continue to increase in strength, modernize equipment and add new units and equipment to support the total force policy. The National Guard and Reserve military construction program continues to lead the Department in early award of the program providing reservists their facilities in a minimum of time.

The National Guard and Reserve forces have over 5300 installations and training sites in 4600 communities located in every state of the Union, Puerto Rico, the Virgin Islands, Guam, American Samoa, and Washington, D. C. These facilities represent a capital investment of approximately 20 billion dollars. There are over 31,000 improved structures or buildings at these locations which have a FY 1990 budgeted federal contribution (states make major contributions to ARNG facilities O&M cost) to the annual operating and maintenance budget of approximately $620 million to provide utilities, real property maintenance and services for the federally owned and leased facilities. These installations and training sites are necessary to optimize training and subsequently prepare our Reserve forces for mobilization and deployment. Over 1,000 of the locations are joint use with some having as many as five Reserve components plus Active forces using them. These facilities are the constant reminder throughout the United States and its territories of the presence, dedication and vigilance of the citizen-soldier, Marine, sailor, and airman. The physical condition and upkeep of this real property sends a daily message to the general public about our Reserve component readiness as well as our national resolve.

Significant attention has been focused by the Department in recent months on building the Reserve component military construction program. The Assistant Secretary of Defense for Reserve Affairs took issue with the level of resources in the Services' Reserve component facilities programs. He presented the issue to the Defense Resources Board in June where it was reviewed and discussed by the Service Secretaries, and fully considered by the Defense Resources Board. My office supported the Secretary's issue with data and has conducted a study of the Reserve component backlog of military construction problems. We conducted this study with the cooperation and in conjunction with the Services in order to define the specific causes of the backlog and to determine possible solutions including alternate construction means. The level of funding for Reserve component military construction has been vigorously discussed throughout the PPBS process. The Services have generally been limited in the resources available for investment and available to address the backlog of construction for both the Active and Reserve components. There have been, as a result of these efforts, some hopeful developments in reducing the backlog of Reserve component facilities. The Army is addressing this issue in the force planning and integration process which is part of the preparation of its FY 1992-97 Program Objective Memorandum. Additionally, the Army's facilities managers are exploring leasing options both near and long term, as well as third party contracting as a means to provide facilities. All Reserve components are working joint use options to ensure they maximize the facilities, land and dollars available to them. Opportunities for sell and replace, and swap and replace of land and facilities are being explored. The Navy's reduction and consolidation of Reserve centers in recent years, as well as its regional training initiatives, will have an impact on the future backlog. The Marine Corps has now become its own military construction fund sponsor for Marine Corps exclusive projects. As a result, they are dramatically increasing the funding level for Marine projects beginning with the 1990 program and will minimize the rise in Marine Corps Reserve construction backlog. The Air Reserve forces are being funded at the same level of funding as the Air Force for facility renewal and backlog reduction. Facilities to support new air missions and aircraft are programmed as soon as all beddown information is available. Unfortunately, that is not always soon enough as the construction planning and execution process tends to be considerably longer than the aircraft transfer process. My office is working with each of the Reserve components and the Service Secretaries to ensure all efforts are taken to stop the increasing backlog of military construction in the Reserve components and to do so within the fiscal constraints that we face.

The Reserve component military construction budget request we are presenting today for FY 1990 contains over 222 projects for $463.6 million. Of the 222 projects, 114 projects or 57% of the funds provide for operational and training facilities. Eighty-eight of the projects or 36% of the funds provide for maintenance and storage facilities. Twelve of the training projects are for new modernized ranges. The storage program includes $7 million to fund buildings at existing armories to accommodate new unit equipment. The remaining 20 projects and 7% of the project funds are predominately for utilities and troop housing to support training and operations such as a new barrack at Stewart IAP, New York. All the projects in the program presented to you this year have a direct contribution to improving the training conditions and readiness of the force. In accordance with congressional instruction, all projects in this year's program have been labeled as new or current mission with 94 projects being called new mission. The either/or labeling of these projects gives a distortion towards new with respect to Reserve component projects. For example, the Army Reserve labeled 11 of their 16 projects as supporting new missions -- 7 of these are regional medical, maintenance or intelligence training sites. These regional sites are new missions only in that they provide modern training facilities in a centralized fashion for economy and efficiency reasons, in lieu of upgrading current facilities at local training areas. Another example is the Air National Guard which has 59 of its 93 projects as new mission, of which 52 projects are in support of conversion of aircraft from F4's or F106's to F15's and F16's. This modernized equipment falls under the new mission category because of the organizational changes that require facilities for more personnel and larger facilities to support current functions such as avionics and engine repair. It could be argued that since both the existing and replacement aircraft perform an air defense role, some of the projects support current mission. My point is that not all "new mission" identified projects have a detrimental effect on providing improvements to existing infrastructure and that some new mission projects are necessary to modernize and improve the readiness of the current force -- even if they do not immediately reduce the construction backlog.

The Defense Secretary's Commission on Base Realignment and Closure, December report before the Congress, recommends closure of 86 bases or sites, 5 partial closures and 54 base realignments affecting 145 installations. The Reserve components occupy, train or are serviced by most of these installations. The commission looked at and was fully supportive of the Reserve forces needs in their actions, allowing for partial retention of land and facilities to carry on the Reserve mission. There will be impacts on Reserve forces such as an increase in operations and maintenance cost for services now performed or shared by active forces and loss of some training areas such as at Fort Meade and the airbases in California. There are possibilities for increased or improved facilities at Fort Dix, Fort Bliss and Fort Devens. There are also possibilities for problems such as Pease or Mather AFB not being retained as airfields, or if retained, the new authority not allowing Reserve components to maintain flying units on them. Present indications are that there are more opportunities for new, expanded and improved facilities for the Reserve components than adverse action. The commission also saw possible opportunities for improved economies and efficiencies through closure realignment and increased joint use of facilities by Reserve components. The Department is reviewing the commission recommendations for Reserve component consolidation and will be pursuing what permanent legislation is required for Reserve components to maximize these opportunities.

The Congress has allowed the Department to split fund construction projects during FY 1989. Split funding is a very important financing concept for the Reserve components as the size of the individual components yearly program is not large enough to cover reprogrammings and provide for contingencies. The ability to split fund allows the Reserves to maximize the dollars available and put the full project on the ground in the shortest time period with the minimum amount of reprogramming.

The facilities management policies that I have set for the Reserve components continue to emphasize repair and maintenance of our facilities as our first priority. This philosophy costs more each year not only because of the age and obsolescence of some of our facilities, but also due to the added cost of asbestos abatement, leaking underground storage tank checks and repairs, fire suppression, noise abatement, and other OSHA system costs. Our investment in new facilities must be determined by mission requirements with training, maintenance and equipment storage being in the forefront. I will continue to oppose neglecting the renovation and replacement of deteriorated and obsolete facilities for existing Reserve units in order to resource new missions. New missions, force structure and equipment requiring facilities must be additive to the Reserve component facilities program and not consume it at the expense of our existing physical plant. I will continue to monitor each Reserve component facilities program as it is being built. In our review of the Service programs and budgets I will address identified shortfalls and point them out to the applicable Military Department Secretariat, the Defense Secretariat, and the Defense Resources Board. In this regard, I assure you that the program is fully assessed and that the Service Chiefs and Secretariats as well as the OSD staff and leadership are informed of my findings. I monitor all levels of the PPBS system to ensure all parties are properly informed of matters affecting the Reserve component facilities. This includes program execution with respect to ensuring we maximize use of authorized dollars in a timely manner which provides the Reservists their needed facilities quicker.

In closing, I would like to point out as I have before that when Congress adds projects that are not designed, or that require a state contribution, a high degree of program turbulence is experienced. A slowdown in the program execution is normally experienced due to the fixed amount of manpower the Reserve components have to process the program additions. Additionally, these unprogrammed project additions leave a large amount of funds idle awaiting the completion of the design process. These funds then become a prime target for sequestering should Gramm-Rudman-Hollings be imposed. As I have previously testified, project additions should be funded for design only and subsequently funded for construction approximately one year later.

I appreciate this opportunity to present the Reserve component military construction budget request. Your support of Reserve component military construction programs has made a substantial contribution to the preparedness of our Reserve forces.

Madam Chairwoman, this concludes my statement and I am ready to answer your questions.

Mrs. SCHROEDER. Thank you very much. I think we will just proceed and have each person quickly do a summary statement and then do questions, if that is all right with everyone. We will put all the full statements in the record. We figure if we can move along and get to that, that will be perfect.

Let's move on to General Navas now. Welcome, we are glad to have you here.

STATEMENT OF BRIG. GEN. WILLIAM A. NAVAS, JR., DEPUTY DIRECTOR, ARMY NATIONAL GUARD

General NAVAS. Madam Chairwoman, members of the committee, I welcome the opportunity to appear before this subcommittee and present the Army National Guard construction program for fiscal year 1990 and 1991. I shall make my comments brief and request that my prepared statement be entered into the record.

This program is a balanced-budget submission, taking into account our basic requirements, the State's and Bureau's priorities and the fiscal reality.

Today, the Army National Guard has taken on new dimensions, manned with high-quality soldiers, trained and equipped to a higher level of readiness and modernized to a greater extent than ever before.

The Army National Guard is the best it has been in its 352-year history. The total force policy and the resources provided by Congress have made the transition from decade of the 1980s possible.

Dramatic improvements during the 1980s, which have impacted on the quantity and quality of our facilities and training installations include an end-strength and force structure increased by approximately 100,000 to a projected end-strength of 457,300 by the end of fiscal year 1989, a 151 percent increase in the number of units with early deployment missions; 25 percent increase in the number of units reporting overall ready status; high-priority units being modernized and equipped following the first-to-fight, first-to-be-equipped policy; an explosion of training opportunities, including local, regional, national and joint training areas and centers. The use of high-technology training equipment and simulators enhance our abilities to make maximum use of limited resources.

To the citizen soldier, the most critical element is time, which translates into getting the training facilities closer to the soldiers. The accomplishment of these improvements requires a large investment in new and more complex facilities.

During the last decade, funding over $940 million for Army National Guard military construction has been provided to expand, replace, upgrade or acquire new facilities and training sites. The $229.2 million authorized for fiscal year 1989 is the largest single-year commitment of funds to the Army National Guard for military construction.

On behalf of the more than 457,000 Army National Guardsmen and women serving their country and their communities, I wish to express our appreciation for your support.

The Army National Guard military construction budget requests are $125 million for fiscal year 1990 and $138.5 million for fiscal year 1991. The 1990 request reflects funding constraints being experienced by all services and, most specifically, on the military capital investment program. The $125 million includes $112.7 million for construction projects, $7.5 million for unspecified minor construction and $4.8 million for planning and design.

This reduced level of funding allows for only the most critical needs to be addressed. The requested program supports requirements in 33 States.

The 1991 request of $138.5 million includes $127 million for construction, $7.5 million for unspecified minor construction and $4 million for planning and design. This request supports the requirements for 38 States and territories.

For the Army National Guard to maintain the high state of readiness developed during the 1980s into the next decade, it is critical that resources in terms of manpower, equipment and facilities be maintained, managed and properly balanced.

In conclusion, my purpose has been to briefly present and explain the very important role that facilities play in the overall mission of the Guard.

Madam Chairwoman, this concludes my opening comments. I appreciate the opportunity you and your committee have afforded me to speak on behalf of all Guardsmen and Guardswomen worldwide.

I wish again to express our appreciation for the support and assistance provided to the Army National Guard in meeting our most critical facilities challenges. I will be pleased to answer any questions if you so desire.

Thank you.

PREPARED STATEMENT OF BRIG. GEN. WILLIAM NAVAS, DEPUTY DIRECTOR OF THE ARMY NATIONAL GUARD

Madam Chairwoman, members of this Committee, I welcome the opportunity to appear before this Subcommittee and present the Army National Guard Military Construction Program for Fiscal Years (FY) 1990 and 1991. I will also touch briefly on our success in executing the 1988 program and the execution of our current year program.

Today, the Army National Guard (ARNG), our Nation's 'Army on Call', has taken on new dimensions. Manned with high quality soldiers, trained and equipped to a higher level of readiness, and modernized to a greater extent than ever before, the Army National Guard is the best it has been in its 352 year history. The Army's Total Force concept and the resources provided by Congress have made this transition during the decade of the 1980's possible.

The ARNG has proven to be, dollar for dollar, cost effective in performing its State mission of providing military support to civil authorities and its Federal mission of deterring war.

Dramatic improvements in our ARNG during the 1980's, which also impacted on the quantity and quality of our facilities and training installations, are:

--End Strength and Force Structure increased by approximately 100,000 to a projected End Strength of 457,300 for Fiscal Year 1989.

--The number of ARNG units with early deploying missions increased 151%.

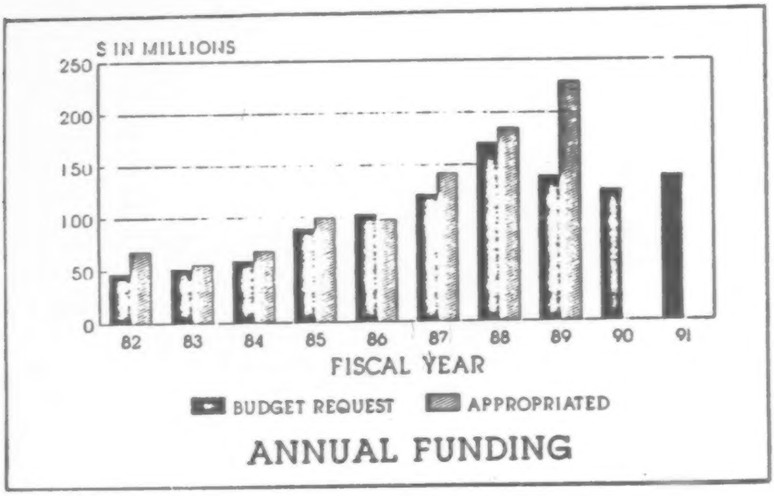
--The number of new and existing units reporting an overall ready status to perform their wartime missions increased 25%.

--High priority units are being equipped with the most modern equipment available to the Total Force.

--Training opportunities are greatly expanded with the use of local, regional, national and joint training areas and centers. The use of high technology training equipment and training simulators enhanced our abilities to make maximum use of limited resources. For the 'Citizen-Soldier', the most critical element is time, which translates into getting the training facilities closer to the units and maximizing the training opportunities at our existing training sites.

With Congress applying the needed manpower and dollar resources, the ARNG will continue to meet the requirement of becoming an even more viable and cost effective force to deter war. We look forward to the challenges and opportunities for improvement and growth that the decade of the 90's will bring.

Accomplishment of these improvements required a large investment in new and more complex facilities. Since 1982, as shown by the table below, the Congress has recognized this requirement by funding over $940 million for Army National Guard military construction to expand, replace or acquire new facilities and to upgrade our training sites. The $229.2 million authorized for Fiscal Year 1989 is the largest single year commitment of funds to the ARNG for military construction. That level of funding represents about one quarter of all construction funding available since 1982. On behalf of more than 457,000 Army National Guardsmen and women who are serving their Country and Hometown communities, I wish to express our appreciation for the efforts of this Committee and it's Chairwoman support of the ARNG. We are committed to execute the authorized programs as expeditiously and efficiently as possible.



ANNUAL FUNDING

MILITARY CONSTRUCTION PROGRAM EXECUTION FOR FY 1988

The ARNG Fiscal Year 1988 Military Construction program authorized and funded 147 projects. The appropriations totalled $184.4 million with $170.5 million committed to construction. Four (4) of the authorized projects were cancelled because of cost growth which made the project no longer cost effective, changed requirements or because of unforeseen environmental problems. An additional four projects were not awarded during the program year but are scheduled to be awarded this year. We achieved a 97% execution rate by the end of Fiscal Year 1988 as shown by the following table.

ARNG
EXECUTION

FY 1988 PROGRAM EXECUTION

PROGRAM:	REQUEST	APPROPRIATED
MAJOR CONSTRUCTION:	$151,139	$165,144
MINOR CONSTRUCTION:	$ 5,400	$ 5,400
PLANNING/DESIGN	$ 13,861	$ 13,861
TOTAL:	$170,400	$184,405
NUMBER OF PROJECTS:	122	147

PROJECTS NOT EXECUTED:

DC. FT. BELVOIR	AIRCRAFT PARKING (COST GROWTH)
MS. CP. MCCAIN	VEHICLE WASH FACILITY (DESIGN)
PR. SAN JUAN	AVIATION SUPPORT FACILITY (SITE CHANGE)
NJ. FT DIX	ARMORY (CONTRACTING PROBLEMS)

PROJECTS CANCELLED:

DE. BETHANY	RANGE, COMBAT PISTOL (ENVIRONMENT)
MA. CP EDWARDS	UTES MODIFICATION (NOT COST EFFECTIVE)
MA. FRAMINGHAM	OMS EXPANSION (STATE CANCELLED REQUIRE)
OH. CP PERRY	RANGE (ENVIRONMENT)

PERCENT EXECUTED: 97.2%

MILITARY CONSTRUCTION PROGRAM PLAN FOR FY 1989

ARNG Appropriations enacted for Fiscal Year 1989 totalled $229.2 million. This program provides $215.1 million for construction and $14 million for planning and design to accelerate the design of future year projects. As you are aware, there is about $7.2 million difference between the amounts authorized and appropriated. We intend to formally request authority to use residual authorization to make up this difference and execute the program as appropriated. To date, about 65 projects have been awarded or are in the final stages of development for award.

MILITARY CONSTRUCTION PROGRAM REQUEST FOR FISCAL YEAR 1990

The ARNG military construction budget requests $125 million for Fiscal Year 1990. This request reflects funding constraints being experienced by all the Services and more specifically on all military capital investment programs.

The Fiscal Year 1990 budget request includes $112.7 million for construction projects, $7.5 million for unspecified minor construction, and $4.8 million for planning and design of future projects. This reduced level of funding presents a difficult situation for program development in that only the most critical of needs can be accommodated. The requested program supports requirements from 33 States and will provide the following facilities for ARNG units:

	No.	COST
ARMORIES NEW, REPLACEMENTS, EXPANSIONS	27	$37,332
EQUIPMENT MAINTENANCE SHOPS	12	$20,807
TRAINING SITE FACILITIES	14	$19,953
TRAINING SITE RANGES	12	$21,005
AVIATION FACILITIES	5	$ 2,850
SUPPLY AND SUPPORT BUILDINGS	3	$ 3,153
ARMORY STORAGE BUILDINGS (VARIOUS LOCATIONS)		$ 7,600
TOTAL:	73	$112,700

MILITARY CONSTRUCTION PROGRAM REQUEST FOR FISCAL YEAR 1991

The Fiscal Year 1991 request of $138.5 million includes $127 million for construction, $7.5 million for unspecified minor construction, and $4 million for planning and design of future projects. Additional funding was added to our Fiscal Year 1989 budget request for constructing armory unit storage buildings and for modernizing indoor rifle ranges at our armories. The funding level of our Fiscal Year 1990 request permitted us to continue only the storage buildings program. In this request, we have committed funds to both of these programs. The requested program supports requirements from 38 States and territories and will provide the following facilities for ARNG units:

	No.	COST
ARMORIES NEW, REPLACEMENTS, EXPANSIONS	27	$50,902
EQUIPMENT MAINTENANCE SHOPS	12	$16,023
TRAINING SITE FACILITIES	10	$20,273
TRAINING SITE RANGES	7	$ 4,664
AVIATION FACILITIES	4	$ 2,127
SUPPLY AND SUPPORT BUILDINGS	10	$10,226
ARMORY STORAGE BUILDINGS (VARIOUS LOCATIONS)		$10,000
INDOOR RANGE MODERNIZATION (VARIOUS LOCATIONS)		$12,760
TOTAL:	70	$126,975

FACILITIES SUPPORT FOR CONTINUED IMPROVEMENT INTO THE 90'S

For the ARNG to maintain the high state of readiness developed during the 1980's into the next decade, it is critical that resources in terms of manpower, equipment and facilities must be maintained and intensely managed. Currently, the ARNG provides 43% of the combat force structure of the total Army force, including 10 of the 28 combat divisions. All of these forces will be used in their wartime missions to support the Commander-in-Chief (CINC's).

FORCE STRUCTURE:

With the probability of more missions directed to the ARNG in the future, facility requirements of the ARNG could rise dramatically to support any additional growth. Increases in End Strength and changes in the Force Structure over the past decade severely overtaxed the existing armory inventory, resulting in a backlog requirement of $815 million to correct deficiencies at about 530 armories. This is only part of the total armory backlog because it does not include requirements to modernize obsolete armory facilities caused by aging or failing locations. All 27 armory projects in our Fiscal Year 1990 request, and the additional 27 armories for 1991, support Force Structure changes that occurred in the 1980's. Four of these armories support new units: two in Tennessee; one in Washington State; and one at Fort Belvoir, Virginia, for the new 29th Division headquarters armory.

READINESS AND EARLY DEPLOYING UNITS:

Adequate facilities are essential to improved training, availability of equipment, and readiness. Our construction requests include projects to provide the modern facilities necessary for conducting realistic, mission oriented training; for sustaining MOS proficiency; and maintaining the new equipment being made available to the ARNG.

TRAINING:

PERMANENT TRAINING SITE FACILITIES

To sustain year round training at our major training sites, permanent cantonment facilities, such as troop barracks, dining and support buildings, must be provided to supplement or replace the World War II wooden buildings, metal hutments, tent platforms and unheated facilities currently available. Most of our training site projects requested for Fiscal Year 1990 are small in scope. However, we have four major construction projects: two troop support facilities at Camp Gruber, Oklahoma; and one at Camp Roberts, California, that will significantly improve year around training and overnight stay capabilities at these major training sites; and the fourth, a military academy, at Camp Blanding, Florida. The dedicated military academies, such as the one for Camp Blanding, will provide the necessary classroom and field environments to develop future leaders for the ARNG.

REGIONAL TRAINING CENTERS:

In partnership with the Active Component and the Army Reserve, the Army National Guard is establishing regional training sites to provide specialized training not available at home stations. The ARNG has proponency for thirteen (13) of these regional centers where maintenance personnel can train on equipment they will maintain during wartime. Nine of these facilities have been approved with two now completed and turned over to full time training duties. The tenth center, at Jefferson City, Missouri, is requested for Fiscal Year 1990, with the eleventh, at Pearl City, Hawaii, and twelfth, at Nickell Barracks, Kansas, in our Fiscal Year 1991 request. Another type of regional training center, the Regional Training Site, Medical, will provide ARNG and Army Reserve medical units training with the Army's new deployable medical system (DEPMEDS). The first such center was approved last year at Camp Shelby, Mississippi, and our request this year is for a similar facility at Fort Indiantown Gap, Pennsylvania.

RANGE MODERNIZATION:

Our range modernization initiative, incorporating range concepts, target systems and training doctrine developed by the Army, is continuing. The ARNG range program has been developed to modernize our training sites as a means to standardize the type and quality of training. The systems being employed at our major training sites are more complex and more costly to construct than the older fixed position ranges common to our older training sites. These types of new ranges with the automated targeting and scoring systems will permit us to train more troops in less time with higher quality in weapons marksmanship. Other special ranges called Military Operations in Urban Environments Assault Course or 'MAC' are being developed to train small units in simulated or live-fire combat conditions in built up or urban environments.

Our Fiscal Year 1990 request has twelve range projects including the heavy multi-purpose range complex to be constructed at Camp Grayling, Michigan. This range will provide combined arms training opportunities for our combat units similar to our ongoing project at Gowen Field, Idaho.

Our range modernization program is on-track and will improve our combat training capabilities for sustaining unit readiness during the coming decade.

EQUIPMENT READINESS:

The Department of the Army continues to deliver large quantities of equipment to the ARNG under the force modernization program.

In Fiscal Year 1988, equipment valued at $2.7 Billion was delivered. Primarily, these items of equipment are the same as in the Active Army; such as, the M1 Abrams tank, the modernized M60A3 tank, Bradley Fighting Vehicle (BFV)s, Firefinder Radars for artillery units, Improved TOW Vehicles (ITV), M198 howitzers, Chaparral air defense weapons and the Heavy Expanded Mobility Tactical Trucks (HEMTT) and the High Mobility Multi-Purpose Wheeled Vehicles (HMMWV) replacing older models of tactical wheeled vehicles.

Requirements to maintain and manage this equipment in a go-to-war state of readiness places greater demands on our surface maintenance support. We are meeting this challenge by systematically improving and modernizing our maintenance facilities. The new maintenance facilities have larger workbays to handle the larger sized equipment, and more supply rooms and equipment parking areas. In addition, these improvements are enhancing the quality of life for the full-time work force by providing indoor, well lighted work areas, break areas and quality buildings. New equipment wash platforms and consolidated storage areas at our training equipment sites are reducing the time required for turning in the equipment used during weekend and annual training sessions. We have identified over 530 maintenance facilities in our existing inventory requiring modernization or replacement at an estimated cost of $450 million.

The category of facilities involved include; Organizational Maintenance Shops (OMS) at the unit level; Unit Training Equipment Sites (UTES) where the combat and support equipment is maintained for unit training; and the large Mobilization and Training Equipment Sites (MATES) at our large major training sites, where equipment is centralized to support larger unit training sessions and for potential mobilization. Regional or state-wide direct and general support maintenance on all equipment is provided by our Combined Support Maintenance Shops (CSMS). Our Fiscal Years 1990 and 1991 requests provides projects to upgrade or replace twelve (12) of the most critical obsolete or inadequate facilities.

AVIATION SUPPORT FACILITIES

However, the projects we are requesting will permit us adequate space to safely park all types of aircraft, provide separate maintenance hangar space for the regional C-12 aircraft and correct a fire safety condition in the hangar at our Eastern Aviation Training Site at Fort Indiantown Gap, Pennsylvania. However, neither Fiscal Year 1990 or 1991 programs include requests for constructing or replacing any aviation support facilities. The reason is that the Army's Aviation Modernization Plan (AAMP) recommends realignments in aircraft types and unit structure for both the active and reserve components of the Army. This plan could make significant changes in the ARNG aviation structure and types of assigned aircraft. Even though we have severe overcrowding at some of our aviation support facilities, we must defer development of all modernization projects until the Army's Aviation Modernization Plan is finalized. We anticipate these decisions will be made this year and our aviation modernization program can proceed in Fiscal Year 1992.

CONCLUSION

Madam Chairwoman, my purpose has been to explain to this Committee that the Army National Guard has become an important part of the Total Army Force during the 1980's. Maintaining this position and capabilities has been made possible through the total resources made available to us by the Army and the Congress. Facilities developed during this decade have played major roles in achieving Force Structure, realistic and quality training opportunities, readiness and improving the Quality-of-Life of our 'Citizen-Soldier'. Because of new missions being assigned to the Guard and the need to constrain resources, our backlog of unfinanced new and continuing mission construction needs will continue to grow. With the current rate of replacement of about one hundred years, the facilities we are using today will become severely obsolete before we can get around to modernizing them. Most of the projects requested in our program are to modernize or replace existing inadequate facilities. There are few totally 'new' facilities. We are addressing the problem of backlog reduction, but priority must be given to unit mission and readiness. Our modest construction request for Fiscal Years 1990 and 1991 has been designed to address our highest priority requirements that will continue to improve the Army National Guard in the 1990's.

This concludes my prepared statement. I appreciate the opportunity you and your committees have afforded me to speak on behalf of more than 457,000 Guardsmen and women worldwide and I would be pleased to answer any questions you may have. Thank you.

Mrs. SCHROEDER. Thank you very much.

General Bultman, the floor is yours.

STATEMENT OF BRIG. GEN. ROGER C. BULTMAN, DEPUTY CHIEF, ARMY RESERVE

General BULTMAN. Madam Chairwoman, and members of the committee, I welcome this opportunity to present my brief remarks on the Army Reserve military construction program for fiscal year 1990.

The Army Reserve continues to make significant progress in readiness, personnel training, logistics and mobilization preparedness. During the last 10 years, the Army Reserve has seen an increase in paid drill strength of over 136,000 Reservists, which represents a 42 percent growth in authorized end-strength for the Army Reserve.

During this same period, there have been over 1,800 unit activations or conversions within the Army Reserve. The Army Reserve along with the National Guard now make up 51 percent of the Army.

In addition, $880 million of dedicated procurement dollars the Congress has given the Army Reserve over the past years has been spent to purchase new equipment, essentially to improve the warfighting readiness of the Army Reserve. This new equipment represents significant progress in the modernization of the Army Reserve forces.

However, this equipment increases the demand for adequate maintenance and storage facilities for our soldiers. Training initiatives have also served to strengthen the Army Reserve, specifically the consolidated training programs. The fiscal year 1990 and 1991 programs include regional maintenance and medical sites in Massachusetts, Pennsylvania, Wisconsin, Arkansas, Georgia and California. These sites are critical to improving the skill qualification of the combat support and service support soldiers, an area of great concern to the commanders in chief.

Also in the 1990 and 1991 program is funding for the readiness training facility at Fort McCoy, Wisconsin, which trains full-time soldiers for a critical part of improving and sustaining Army Reserve units' readiness.

The new aviation facility in California is also critical since it supports the total Army aviation modernization program.

We also recognize that progress of this magnitude generates demands for new and upgraded facilities. Success or failure in these training facilities depends largely on whether or not they provide adequate support to the soldiers and civilian workers. Good facilities are essential to recruitment, retention and the quality of life for the best-educated, motivated volunteer soldiers the Army Reserve has ever had.

Adequate facilities improve soldiers' morale, their willingness to stay in the service and their readiness. Unfortunately, the existing inventory of the Army Reserve facilities is inadequate in many ways. Overcrowding is a systemwide problem because expansion and renovation of facilities have not kept pace with the growth, structure changes, procurement of new equipment and the training initiatives.

Physical deterioration and dilapidation best describe the significant portion of the Army Reserve centers. Furthermore, new facilities are needed now and will continue to be needed to accommodate the Army Reserve and our Nation's dependence on the Army Reserve forces as we move into the 21st century.

The backlog of known construction requirements for the Army Reserve is $2.3 billion today, and we are deeply concerned about this backlog. In today's environment of constrained resources, we cannot expect to meet all of the facility needs at one time in every location. The program before you contains only the highest-priority projects. Authorizing these projects will enable the Army Reserve to ensure that the combat support and service support forces of the total Army will not be placed in jeopardy.

Some overcrowding and operational efficiencies will continue until priorities are reordered when additional funds become available. In the meantime, we will continue to work with the Army leadership to find ways to reduce the facility shortfalls in the most expeditious way possible within the total Army priorities and constrained resources.

Madam Chairwoman, I am particularly pleased to inform this committee that we have successfully awarded a contract in all but two major construction projects between 1982 and 1988. We believe that this is a good record and we are proud of it. We anticipate similar success with the 28 projects approved for our fiscal year 1989 construction program.

Our request for fiscal year 1990 is for the authorization to execute 15 construction projects and five land acquisitions at the cost of $76.9 million. Because our fiscal year 1990 program is in the advanced stages of design, we anticipate no difficulties in awarding all projects by the end of the fiscal year.

Madam Chairwoman, this concludes my statement and I thank you very much for your continuous support of the Army Reserves.

PREPARED STATEMENT OF BRIG. GEN. ROGER BULTMAN, DEPUTY CHIEF, ARMY RESERVE

Madam Chairwoman and Members of the Committee:

I welcome this opportunity to present the Army Reserve's military construction program for fiscal year 1990 and to request authorization for its execution. On behalf of over 330,000 soldiers of the Army Reserve, I want to express our appreciation for the support this committee has provided for our construction program.

Overall, the Army Reserve has made considerable progress in the areas of personnel, training, logistics, sustaining the force, and preparation for mobilization. Our total program for fiscal year 1990 is designed to continue that progress and enable us to do our part in attaining an Army of excellence.

The facilities infrastructure, however, will either enhance or detract from this progress depending upon the measures we take to address the serious shortfall in resources defense-wide generally and in military construction specifically. The contribution that facilities make to the achievement of Army Reserve missions is difficult to quantify, but on the basis of my travels to the field and consultations with commanders, I have concluded that, other things being equal, the quality of our facilities is the chief determinant of success or failure in meeting our program goals.

One piece of anecdotal evidence was brought to my attention recently by two battalion commanders whose troops were of similar if not identical educational backgrounds, age range, and other socio-economic characteristics. In one case there was no personnel attrition, morale was high, and readiness was at an enviable level. In the other instance recruitment was difficult, attrition was constant, low morale permeated the unit, and a deplorable state of readiness existed. The commander with the preferred set of circumstances observed that given the same dilapidated physical plant his counterpart endured, he too would experience similar problems. His observation was right on target. How do we attract and retain quality soldiers in facilities that are falling apart, over crowded, unsightly, and where soldiers' cars are vandalized during training and assemblies for lack of secure off-street parking? Unfortunately, these kinds of circumstances are far too prevalent.

The Army Reserve construction program is characterized by a number of unique factors that intensify the challenge of meeting today's requirements. First, because of the decentralized nature of the Reserve Component, our construction requirements differ from those of the Active Component. We require a larger number of facilities that are generally smaller and more specialized. Furthermore, our facilities must be located in or near the civilian communities in which our soldiers live. Reserve centers must be planned and constructed or expanded and revitalized in areas of the country experiencing population growth due to migration trends away from the northeast and central states to the south and southwest. Unlike the Active Component, therefore, we do not bring recruits to large established bases; we follow the people and the talent in order to optimize recruitment and mission accomplishment.

Secondly, the existing physical plant inventory is in a sad state of repair, as the anecdote about two battalion commanders suggested. There are now nearly 2,000 Army Reserve centers and maintenance facilities owned or leased by the Army Reserve. Most of these were constructed during an era in which very little equipment was issued to the Army Reserve, and we had only one or two full-time persons working at each Reserve center. As a result, the majority of Army Reserve centers do not have adequate space to support the storage and maintenance of equipment and to accommodate the additional full-time personnel now assigned to Reserve units. Our older facilities served us well at one time--but we have outgrown them. In some cases we have outlived them resulting in facilities viewed not as symbols of the Army's efficiency and viability, but as eyesores that send the wrong message to community leaders and discourage employer support of Reserve soldiers. The total number of Army Reserve facilities rated substandard is 480. Of these, 206 must be completely rehabilitated and converted in order to ensure training and readiness goals; 164 require outright replacement because of their deteriorated physical condition; and 110 require major alterations and/or additions to relieve overcrowding and make them functionally adequate.

Another characteristic of the Army Reserve facilities posture is a large and growing backlog of known construction requirements. The backlog is the result of some of the factors already mentioned. To be more specific, they include during the last ten years a 42 percent growth in end strength, from 185,000 to 321,000. During the same period there were 1,862 unit activations and conversions that gave the Army Reserve 60 percent of the Army's corps aviation, 97 percent of its civil affairs strength, 87 percent of its PSYOPS capability, and 25 percent of its special operations forces. Over the same ten years, 880 million dollars from the dedicated procurement program brought new equipment to the Army Reserve that has generated a growing need for construction of adequate storage and maintenance facilities. All of these generators of construction requirements have created a backlog bill of 2.3 billion dollars.

We realize that we cannot rehabilitate or build new facilities everywhere at one time and that some inefficiencies and crowding will continue, but we must continue our efforts to improve the physical plant to the best of our ability because of the critical role facilities play in the retention and training of Reserve soldiers who serve to enhance the wartime readiness of the Total Army.

Each year we work with the Commander of the United States Forces Command to develop and prioritize the five year construction program. We take into account the facility requirements essential to support not only units that exist today, but also those that will be activated in the future. As specific projects are developed, we work with the units involved and the construction planners to ensure we design and construct facilities that meet the needs of the units involved and have some built-in flexibility to accommodate change and future expansion.

The construction program that we present today for your consideration has been crafted in the context of severely constrained resources. It will not meet all of our needs, therefore, but will enable us to address a few of the very highest priority projects designed to expand and modernize the US Army Reserve physical plant.

CURRENT YEAR PROGRAM: The execution record of the Military Construction, Army Reserve (MCAR) program is among the best in the Department of Defense. Contracts have been awarded for all prior year projects over 400 thousand dollars except two and we are proud of this execution record. The Fiscal Year 1989 authorization provided for 28 major construction projects and we expect to execute all during the year.

FY 90 REQUEST:

The fiscal year 1990 request is for the authorization of 15 major construction projects and 5 land acquisitions. One project is in Guam and the others are located in 12 different states. More specifically, the request provides for the construction of:

o Twelve new facilities including 2 Army Reserve Centers, an air flight facility, an equipment concentration site with area maintenance support activity and warehouse, a consolidated military intelligence training center, phase I of the Fort McCoy Army Reserve Readiness Training Center, and six regional training sites - three for maintenance skills and three for medical training.

- Three existing Reserve Centers will be expanded or altered.

The projects were selected and ranked based on need, the mission of units supported, troop activation schedules, and the general contribution of each project to the readiness of the Army Reserve. All projects are at or above 65 percent design, and we envision no difficulty in the award of all projects during fiscal year 1990.

The cost of these major construction projects is 69 million, 761 thousand dollars. Minor construction projects and planning and design funds are specified respectively at 1 million, 751 thousand dollars and 5 million, 388 thousand dollars. The total cost of the projects contained in this authorization request is 76 million, 900 thousand dollars.

Gentlemen, this program is worthy of your support. In addition, I invite you to think seriously about a future in which the Army Reserve will likely assume additional missions. We must address the construction backlog problem soon. It is precisely because we are still trying to catch up with ten years of change and address the increasing reliance on the Army Reserve that we must make every effort to ensure that the facilities infrastructure will support and enhance the Total Army.

CONCLUSION: Madam Chairwoman, this concludes my statement. The Committee's continuing interest in and support of the construction requirements of the Army Reserve are greatly appreciated. Thank you.

Mrs. SCHROEDER. Thank you very much and let's move on to Admiral Chambers. The floor is yours and welcome.

STATEMENT OF REAR ADM. RICHARD K. CHAMBERS, DEPUTY COMMANDER, NAVAL RESERVE FORCE

Admiral CHAMBERS. Thank you, ma'am. Madam Chairwoman and members of the committee, it is a pleasure to appear before you today and present the fiscal year 1990–1991 military construction Naval Reserve budget. Our budget in 1990 is $50.9 million and in 1991, it is $53.3 million.

The facilities in our program are needed to support a dynamic and ready Naval Reserve Force. The facilities we ask for are required to support a force which is enjoying the highest state of readiness in history and has assumed more roles and missions as part of the Navy's total force.

It does support the mission we have and a physical plant of $2.6 billion with facilities which have an average age of 39 years. Many projects we request today replace World War II-vintage quonset huts and similar facilities. We are working hard to upgrade our existing plant to support our increased readiness posture within current funding levels.

This is the first year the Marine Corps has functioned as a resource sponsor for the Military Construction Naval Reserve. Because of this change, Brigadier General Downs is here today to speak on behalf of the Marine Corps issues and the Military Construction Naval Reserve program.

I would like to thank all members of the committee for their support in the past and I am standing by for any questions.

PREPARED STATEMENT OF REAR ADM. RICHARD CHAMBERS, DEPUTY COMMANDER OF THE NAVAL RESERVE FORCE

Madame Chairwoman and Members of the Committee:

It is a pleasure to appear before you and present the Fiscal Year 1990/1991 Military Construction, Naval Reserve (MCNR) budget request. I would like to thank you for your support of the Reserve program and in particular say that the restoration of split funding during last year's session is most welcomed because of the flexibility it provides us in our relatively small program.

Today, I brief you on the facilities needed to support a dynamic and ready Naval Reserve Force which is growing to a strength of over 160,000 Selected Reserves during the Five Year Defense Plan (FYDP). The facilities we ask for in the budget request are required to support a force which is operating more modern and sophisticated equipment, is enjoying its highest state of readiness in history and has assumed more roles and missions within the "Total Force."

Because of the emphasis the Navy has placed on horizontal integration and the reality of the "Total Force" concept, newer aircraft and ships in increasing numbers will continue to join the Naval Reserve over the next few years. In support of our mission we have a physical plant of over 1900 individual facilities valued at over 2.6 billion dollars with an average age of 39 years. In many cases this physical plant consists of World War II vintage quonset huts and similar facilities. Not only are these facilities old, but they are also poorly configured to support today's missions and newer equipment. In addition, our backlog of needed construction exceeds one billion dollars and is a growing problem. It must be pointed out however, that our facilities needs are not unique, they are mirror images of the facilities needs and problems which face the Navy. The budget we present addresses our fair share of the Navy's resources available for construction.

It should be noted that the preponderance of projects in our program are in support of current mission requirements. They concentrate on the replacement and modernization of facilities which are impacting the ability of the base commander to perform the currently assigned mission. Only two of our FY 1990 projects and four of our FY 1991 projects are in support of new missions. We are working hard to upgrade our existing plant to support our increased readiness posture within current funding levels.

Turning to the Marine Corps program, this year is significant in that it is the first year the Marine Corps has functioned as a resource sponsor for the MCNR program. The Marine Corps Reserve comprises one-quarter of the Marine Corps Force structure and makes significant contributions to the combat power of the Marine Corps. The end strength of the selected Marine Corps Reserve will be 43,600 in Fiscal Year 1989 and is expected to grow to 44,000 for Fiscal Year 1990. The Marine Corps, using the green dollar portion of the Navy's program, has made the decision to use part of its allocation to fund Marine Corps Reserve exclusive projects. Because the Marine Corps is now a resource sponsor, Brigadier General Downs is here today to speak on behalf of Marine Corps issues in the MCNR program.

Before I close, I would like to add that the base realignments and closures commission report if implemented will have little effect on the Naval Reserve. The Naval Reserve ships which were to be homeported at the two Gulf coast sites will be reprogrammed to another site. The projects supporting those ships are a part of the strategic homeporting program, and as such a part of the regular military construction program and do not affect the program we discuss today.

The challenge of maintaining a viable and ready Naval Reserve Force in the future can be attributed to our ability to recruit, train and retain top people. In order to accomplish this our people must be provided the best quality of life possible. In this regard, the facilities we request with this biennial budget will improve the quality of life for our people, and provide them with the best possible training environment.

We appreciate the support this committee has provided and seek your approval of the projects which comprise this biennial budget submission.

This concludes my statement Madame Chairwoman. I will be happy to answer any questions and to provide additional information, thank you, sir.

Mrs. SCHROEDER. Thank you. Once again, we welcome General Downs. He is here almost every day. We ought to deputize him.

STATEMENT OF BRIG. GEN. MICHAEL P. DOWNS, DIRECTOR, FACILITIES AND SERVICES DIVISION, HEADQUARTERS, U.S. MARINE CORPS

General DOWNS. Madam Chairwoman, members of the committee, thank you. I have three points. As Admiral Chambers indicated, with the fiscal year 1990 program, the Marine Corps assumed budgeting responsibility for the Marine Corps Reserve MilCon.

Second, we did this with the hope of increasing and stabilizing our Marine Reserve MilCon.

Last, the request before you for the fiscal year 1990 Marine Corps Reserve MilCon is a 17.5 percent increase over that approved in fiscal year 1989.

Thank you very much.

Mrs. SCHROEDER. Thank you very much. As always, you are terse and to the point.

Next, General McMerty. We welcome you.

STATEMENT OF BRIG. GEN. JOHN G. MCMERTY, DEPUTY DIRECTOR, AIR NATIONAL GUARD

General MCMERTY. Madam Chairwoman, we appreciate the support and interest this committee gave our fiscal year 1989 military construction program and we thank you for the additional authorization provided for both design and construction. Although our fiscal year 1990 MilCon program provides for our most critical needs, our backlog of urgent requirements continues to grow.

By the end of fiscal year 1990, we anticipate that our backlog will be approximately $1.1 billion for a plant replacement value of $10.3 billion. The average age of our physical plant is approximately 30 years.

The fiscal year 1987 and 1988 major construction programs were the most successful in Air Guard history. We achieved an execution rate in excess of the OSD of 95 percent. These rates are within the highest levels of the Department of Defense. We expect the fiscal year 1989 programs to achieve this same level of success.

We ask your support for our fiscal year 1990 and 1991 military construction program request. These projects are absolutely essential for the Air Guard to maintain its wartime capabilities as part of the total force.

Madam Chairwoman, the continued interest and support of this committee is greatly appreciated. Thank you very much.

PREPARED STATEMENT OF BRIG. GEN. JOHN MCMERTY, DEPUTY DIRECTOR OF THE AIR NATIONAL GUARD

AIR NATIONAL GUARD

OVERVIEW

Mr. Chairman and members of the committee, it is my distinct pleasure to appear before this committee with the Air National Guard Military Construction Program request for fiscal years 1990 and 1991. The MILCON projects in these years are vital to support our conversions to more modern weapons systems, to support our growth in new and expanding missions, and to replace our antiquated physical plant. The operational, maintenance, and training requirements in our programs are an essential element in maintaining the high combat readiness of the Air National Guard.

We are able to make a significant contribution to the Total Force through the strong support we receive from the Department of the Air Force, the Department of Defense, and the Congress. We provide a significant portion of the Air Force CONUS alert and support missions, and will provide more of the Air Force combat capability as we continue to grow and modernize our forces. We are able to accomplish this in a cost-effective manner through our traditional Guardsman part-time force, supported by a small full-time workforce.

By the close of fiscal year 1990, the Air Guard will possess 90 percent of the total Air Force Air Defense Interceptor Forces; 49 percent of the Tactical Reconnaissance Forces; 36 percent of the Tactical Airlift Forces; 24 percent of the Tactical Fighter Forces; 19 percent of the Aerial Refueling Forces; and 42 percent of the Tactical Air Support Forces. We also make an important contribution in the Strategic Airlift, Rescue and Recovery, and Special Operations missions. In addition, our mission support units will provide 67 percent of the Aircraft Control and Warning Forces; 67 percent of the Combat Communications Forces; 69 percent of the Engineering and Installation Forces; 26 percent of the Civil Engineering Forces; and 83 percent of the Tactical Weapons Control Forces.

Our continued modernization and growth is reflected in our facility construction requirements for new weapons systems, including the F-15, F-16, KC-135, A-10, C-5, and C-141 aircraft, the expansion and series changes for our C-130 aircraft units, expanded missions, unit relocations, and readiness initiatives. These requirements constitute over 65 percent of the fiscal year 1990 and 1991 requests.

We appreciate the support and interest this committee gave to our FY 89 MILCON program. We thank you for the additional funds provided for both design and construction. In FY 89 this committee directed us to include in the FY 90 program, various projects at seven locations. We included these projects in the FY 1991 program because they did not meet the FY 90 Congressionally-mandated 35% design milestone by 1 January. Since then we have pressed ahead on a very fast track and I can report that some of the projects have reached the 35% design stage and we see no problem executing them during FY 91.

The $164.6 million fiscal year 1990 request provides for $155.6 million in major construction, $2.5 million in unspecified minor construction, and $6.5 million for planning and design. The total request for FY 90 is our largest ever and is indicative of our need. The major construction portion of the FY 90 program includes approximately $104 million for facility requirements for force growth and modernization. These are our "new mission" projects as defined by Air Force terminology. The remaining $52 million will be used to replace and upgrade antiquated facilities and utility systems, and is part of our "current mission" program. Our FY 1991 program drops by approximately $60 million when compared to the

FY 1990 program. This is attributed in part to budget constraints and to force structure changes.

Although our FY 90 MILCON program provides for our most critical needs, our backlog of urgent requirements continues to grow. By the end of FY 90 we estimate that our backlog will be approximately $1.1 billion, for a plant replacement value of $10.3 billion. The average age of our physical plant is approximately 30 years.

The fiscal years 1987 and 1988 major construction programs were the most successful in Air Guard history. We achieved an execution rate in excess of the OSD goal of 95 percent. These rates are within the highest levels of the Department of Defense. We expect the fiscal year 1989 program to reach this same level of success.

In FY 89 Congress reinstituted split-funding and also simplified the procedures for reporting cost increases based on the low bid for projects costing less than $400,000. We feel these are excellent tools that will assist in the management and execution of the MILCON program.

We ask your support for our fiscal year 1990 and 1991 Military Construction Program requests. These construction projects are absolutely essential for the Air Guard to reach and maintain its wartime capabilities as part of the Total Force.

Any reduction in these requests will seriously impact our ability to accept new missions and more modern weapons systems, and will adversely affect the combat readiness of the Air National Guard.

Mr. Chairman, this concludes my statement on behalf of the Air National Guard's fiscal year 1990 and 1991 Military Construction requests. This committee's continued interest and support is sincerely appreciated.

Mrs. SCHROEDER. Thank you very much.

General Carpenter, we will let you close it out. Go for it.

STATEMENT OF BRIG. GEN. SHIRLEY M. CARPENTER, DEPUTY CHIEF, AIR FORCE RESERVE

General CARPENTER. Madam Chairwoman, members of the subcommittee, it is my pleasure to be here today to present our fiscal year 1990-1991 biennial military construction program.

I might say, in the last 3 years, because of various reductions, the Air Force Reserve in the military construction business have been operating in the red. I am happy to report, because of the congressional support last year for the deficiency allowance of $7 million, for the first time we see some ray of hope of getting through our 1989 program and hopefully ending up in the black and that is a blessing.

Considering the extreme fiscal pressures that we had in putting our budget together, I want to say up front that we think we received a fair shake from the Air Force and the OSD staff. They were very supportive. I am also happy to report, as the Air National Guard, that we had a banner year in 1988 when we executed 30 of our 33 projects with a 91 percent execution and that was the highest in the history of the Air Force Reserve.

Our fiscal year 1989 program is also looking good. We are off to a good start with five awarded and 19 other projects out for bid. So if we get a good bid environment in 1989, we expect to execute all 35 projects.

Just looking at our fiscal year 1990 budget, the total is $46.2 million; $32.6 million of that is for major construction, $3.1 million for minor construction and $10.5 for planning and design. Approximately 45 percent of the major construction will be for new mission and 55 percent supports current mission.

I am happy to report that this year, we have 34 of our 35 projects at 35 percent design. We do have one project at Bergstrom AFB, Texas, which was an accelerated F-16 program, that is less than 35 percent, but it is a standard facility. We have no problem executing that program.

Madam Chairwoman, I would like to point out one thing because I am sure members of your subcommittee will pick up on it. If you look at our fiscal year 1990-1991 budget request, they are about 35 percent and 45 percent less than our fiscal year 1989 appropriation. I would like to explain that by making two points. Number one, we have less conversions going on in the Air Force Reserve in 1990 and 1991; and number two, we did establish a baseline last year for current mission of $20 million. Now, we would like to have had more, to be honest, but we competed and got a fair shake there. The only concern we have is the baseline of $20 million will give us a renewal cycle of about 100 years. We can't build a building to last 100 years, so we have a problem with that. We are kind of in a catch-up mode to eat into our backlog. Twenty million a year will allow us to cut the growth rate of our backlog, but we are operating in a catch-up mode.

About the base realignment and closure report, let me just say that we are affected at three of the five bases that are on the list.

The only one I would like to comment on would be Mather AFB, California. As the report suggests, we hope that the Air Force Reserve will be allowed to stay at Mather if civilian authorities take over and operate the runway for two reasons. Number one, we can save about $30 million in construction money. That is a rough estimate. I have heard as high as $39 million, but somewhere in that ballpark. Second, if we are allowed to stay at Mather, that would give the Air Force Reserve some potential to grow if they were called on by the Air Force to accept new missions and roles. So we would hope that we would remain at Mather.

In summary, I would just like to say we think our military construction goals are in balance with our O&M program. We expect to get optimum return on every dollar. I think the bottom line is, though, in time of severe budget constraints, I feel sure the Air Force Reserve will be asked to do more and we must make sure that we do not hamper the Air Force Reserve's contribution to total capability, so I would certainly ask your support for our fiscal year 1990 and 1991 budget request.

Thank you.

PREPARED STATEMENT OF BRIG. GEN. SHIRLEY CARPENTER, DEPUTY CHIEF OF THE AIR FORCE RESERVE

MADAM CHAIRMAN AND MEMBERS OF THE COMMITTEE:

INTRODUCTION

It is my pleasure to appear before you today and present the Air Force Reserve's Fiscal Year (FY) 1990 and 1991 Biennial Military Construction (MILCON) Program and to request the necessary authorization and appropriation for program execution.

Speaking for all members of the Air Force Reserve, the support this committee provides is greatly appreciated. The budget deficiency allowance approved by Congress last year will allow us to solve the funding shortfall problems that I've discussed the past three years. These funds will be used to execute our delayed FY 1987 Hangar project at Westover AFB during the third or fourth quarter of this fiscal year.

Considering the extreme fiscal pressures during this year's budget formulation process, we were supported by the Air Staff and Office of the Secretary of Defense. Our MILCON budget request is solid and represents the bare minimum construction funding needed to support our assigned missions. I would like to take a few moments to share with you the status of our force, progress we have made the past year, some of our operational achievements, potential impacts of the base realignment and closure report, and some of the various challanges that lie ahead.

Manpower

The Air Force Reserve has experienced significant mission growth over the past decade and a half. You have made this possible by providing the end-strength required to meet our wartime and contingency tasking responsibilities. The Air Force Reserve end-strength grew to 82,116 in FY 1988, a total that has nearly doubled since 1973. Simultaneously, however, the ratio of full-time support (civilians and Air Reserve Technicians) to Reserve unit end-strength actually declined from 25 to 20 percent. Budgetary restrictions have prevented full-time support and management requirements from keeping pace with Reserve end-strength increases. Additionally, the Goldwater-Nichols DoD Reorganization Act imposed growth restrictions on Reserve management headquarters. The combination of these two factors jeopardizes our ability to provide adequate support to our field units in the face of increasing readiness requirements.

Equipment Modernization

The primary goal of the Air Force Reserve is to sustain a superior combat ready force. Today, the Air Force is making great qualitative strides in this effort by providing many of our flying units with some of the more modern aircraft in America's arsenal. The support Congress has given the Air Force has made these modernization efforts possible. We will do everything possible to ensure that the capabilities of these weapons systems are fully exploited.

We are continuing to upgrade our tactical fighter force in FY 1989 with the conversion of the F-4 units at Tinker AFB, Oklahoma and Homestead AFB, Florida to the F-16 aircraft. However, budget constraints and delays in upgrading active units to newer F-16C/Ds have slowed modernization of our fighter force at other Reserve locations. We now plan to complete F-4 unit conversion to F-16A/B at Wright-Patterson AFB, Ohio in early FY 1990 and will similarily convert Carswell AFB and Bergstrom AFB, Texas in late FY 1991. Any further delays in planned active duty F-15 and F-16 procurement levels will extend our aging F-4s seriously affecting our war fighting capability.

This continuing modernization of our tactical fighter force with the F-16 brings a corresponding challange to the Reserve as we prepare to meet the anticipated threat well into the 21st Century. We must now address the midlife upgrade of these aircraft while ensuring commonality with the active Air Force and our allies. We coordinate our efforts with the Air Force and NATO as an active member of the Multi-national Fighter Program.

The Congressional add of six C-130H aircraft in FY 1989 will allow us to convert six of eight C-130Bs at Youngstown, Ohio even sooner than expected. As an added benefit, rather than an interim conversion of this unit to C-130E model aircraft as originally planned, we are now able to move directly to the C-130H. It has been our experience that eight Primary Assigned Aircraft (PAA) is the minimum size for an efficient unit structure -- and we hope, with continued Congressional support in 1990, to complete the Youngstown modernization with two additional C-130Hs.

Thanks to a Congressional add of C-130H aircraft in FY 1988, the Air Force Reserve will retire its last C-130A tactical airlifters this year. The only C-130As remaining in the Reserve are the dated gunships at Duke Field, Florida. The active Air Force procurement of the new AC-130U will release upgraded H-model gunships to replace those A-models. This replacement is critical as these 30-plus year old AC-130As offer only limited capability to the increasingly important special operations mission.

In the past year we acquired an increased strategic airlift capability at our unit-equipped C-141 and C-5 wings. The 459th Military Airlift Wing

(MAW) at Andrews AFB, Maryland is fully converted to eight C-141B aircraft and the 433rd MAW at Kelly AFB, Texas completed its conversion from 16 C-130Es to 15 C-5s assigned as of December 1988. Earlier this year the 439th MAW at Westover AFB, Massachusetts received the remainder of its 14 C-5s. We will continue this effort by replacing eight C-130E model aircraft at Rickenbacker ANGB, Ohio, with 12 C-141Bs beginning in FY 1991. These unit conversions allow us to operate and maintain valuable strategic airlift aircraft economically at a low peacetime tempo while maintaining a high wartime surge capability.

Another important airlift enhancement is the C-17A. The development of this aircraft will ensure a quantum leap forward for our nation's airlift capability. Its timely acquisition will provide a critical improvement in the ability of the Air Force to project conventional forces wherever they might be needed. As I indicated last year, this is the first time in Military Airlift Command (MAC) history that a production line strategic airlift aircraft is scheduled to go directly into a unit-equipped Reserve organization. Unfortunately, the stretching out of this program will have a ripple-down effect on overall Air Force Reserve modernization efforts. Delays in the delivery of C-17As to active units slow the subsequent transfer of their resources to and between Reserve units. We strongly urge this important program be kept on track.

We have been a full partner with the active Air Force in direct support of the strategic mission. Our KC-135E aerial refueling units at Grissom AFB, Indiana, and March AFB and Mather AFB, California will each receive 2 additional aircraft in FY 1990. This is the result of the deactivation of an active KC-135 unit. Congress has provided the funds to upgrade these KC-135As to the KC-135E configuration with the attendant significant increase in capability and maintainability. The addition of these six aircraft will allow the Air Force Reserve to provide the active Air Force with three added lines of alert.

Perhaps the Air Force Reserve's greatest challenge is to provide our personnel with state-of-the-art training programs. We must be able to meet the inevitable increase in future readiness goals without adding to our Reservists' already over-burdened participation requirements. These new programs include self-paced programmed instruction, part-task trainers, multi-media learning programs, and computer simulation. Congress has generously supported our past training requirements and we look forward to your continued support in the future.

Operational Achievements

Air Force Reserve flying units logged more than 223,000 hours in FY 1988, flying unit-equipped and associate strategic airlift, tactical airlift, fighter, rescue and tanker aircraft. Our flying is not limited to local training missions. In quantitative terms, the by-product of our world-wide Reserve contribution to MAC is impressive. MAC-gained units flew in excess of 140,000 hours in FY 1988. Our Reserve tactical airlift was responsible for deploying 32,000 troops (airdropping 16,000) and 4,000 tons of cargo (airdropping 500 tons). We continue to play an important role in REFORGER in Europe. Reserve crews and aircraft were even called upon to transport Intermediate Nuclear Forces Treaty verification teams to Moscow.

The Air Force Reserve, in conjunction with the Air National Guard, continues to maintain a year-round rotation in Panama in direct support of United States Southern Command (USSOUTHCOM) with six C-130s, seven aircrews, and 60 support personnel. Last year VOLANT OAK crews flew 331 missions carrying over 10,000 passengers and over 2500 tons of cargo. A significant portion of this effort was in support of USSOUTHCOM's "Good Neighbor Programs."

In the area of competitions, a Reserve crew was selected as the "Best KC-10 Crew" during the 1988 SAC Bombing and Navigation Competition. Assigned to the 452nd Air Refueling Wing (AREFW), March AFB, California, the crew amassed an impressive score of 98.55 out of a possible 100 points.

In March of last year, a Reserve crew from the 459th MAW, Andrews AFB, Maryland, responded to an urgent request to support the deployment of the 82nd Airborne Division into Honduras. This Reserve crew, commanded by Major Tom Carter, flew the first aircraft into Palmerola Air Base, Honduras, in support of JCS Exercise "GOLDEN PHEASANT."

Crews from six Reserve units supported a civilian UN Peacekeeping deployment to Iraq in August of 1988. Known as "OPERATION POST ROAD," we lifted 316 tons of cargo and 170 passengers during this deployment.

In conjunction with proficiency training, our flying units are often requested to provide a variety of humanitarian services. Air Force Reserve units were credited with saving 49 lives in FY 1988 while performing over 100 search and rescue missions. During 1988, we transported over 880,000 pounds of humanitarian relief supplies, including 66,000 pounds of life-saving cargo to Jamaica after last year's devastating hurricane.

Most recently, Reserve crews from the 459th MAW, Andrews AFB, Maryland, 439th MAW, Westover AFB, Massachusetts, and 433rd MAW, Kelly AFB, Texas were instrumental in flying emergency missions to support the Armenian earthquake relief effort. Our crews became ambassadors of goodwill as they provided vitally needed supplies to survivors of this tragedy.

It is also important to remember that we have over 12,000 highly trained Individual Mobilization Augmentees (IMAs) who work directly with their active duty counterparts. As but one example of the contributions these IMAs make, the Air Force Systems Command has documented over $178 million in cost savings since 1982 directly attributed to the efforts of their assigned IMAs.

Unique Reserve Missions

The Air Force Reserve has several unique missions. We provide 100% of the DoD fixed-wing, large area aerial spray capability. Additionally, along with the Air National Guard, we provide 100% of the Air Force augmentation to the airborne fire fighting effort of the US Forestry Service. In support of this mission, the 943rd Tactical Airlift Group from March AFB, California dropped over 498,000 gallons of fire retardent during 166 missions as they helped firefighters battle the raging forest fires in our western states this past year.

MILITARY CONSTRUCTION

Prior Year Execution

I am happy to say, in executing our FY 1988 Military Construction (MILCON) program, 30 of 33 projects were awarded, an execution rate of 91%, the highest in the history of the Air Force Reserve. Of the remaining three projects, one is now awarded; the other two will be awarded this year.

Current Year Execution

Our FY 1989 MILCON program is well under way with 4 of 35 projects awarded and 19 additional projects out for bids. With a good bid environment, we will execute all 35 projects this year, which will be another record.

FY 1990 MILCON Budget Request

The Air Force Reserve MILCON budget request for FY 1990 totals $46.2 million; $32.6 million for major construction, $3.1 million for minor construction, and $10.5 million for planning and design. Approximately 45% of the major construction supports new mission, and 55% supports current mission. Currently, 34 of the 35 projects meet the 35% design criteria. The one late project, at Bergstrom AFB, Texas, is 10% designed and supports an accelerated F-16 conversion. We anticipate no difficulty in completing the design and executing this project.

FY 1991 MILCON Budget Request

Our MILCON budget request for FY 1991 totals $38.5 million; $31.9 million for major construction, $3.1 million for minor construction, and $3.5 million for planning and design. Approximately 26% of major construction supports new mission and 74% supports current mission. Design of this program is proceeding satisfactorily.

Reduced MILCON Funding

Madam Chairman, our FY 1990 and 1991 budget requests are 35% and 45% less, respectively, than our FY 1989 MILCON appropriation. These decreases are primarily due to reductions in new mission requirements but also due to the establishment of a current mission baseline somewhat below our desired funding level. Based on the strategy used to formulate our current mission baseline, the Air Force Reserve received it's fair share of funding in comparison with the active Air Force. However, additional construction requirements exist and our current mission baseline funding level restricts us from doing more in the area of physical plant renewal, modernization and upkeep. Presently, our plant renewal cycle is approximately 100 years, based on an annual current mission funding level of $20.0 million. This equates to only one percent of our plant replacement value of $2.0 billion. A 100 year renewal cycle is simply too long. We are now operating in a catch-up mode in constructing facilities to renew and modernize our physical plant and to support manpower builds from past years when priority funding was then given to new mission requirements.

Base Realignment and Closure Report

At this point, I would like to briefly discuss the impacts the recently published base realignment and closure report has on the Air Force Reserve MILCON program. These impacts are relatively minimal and can be easily worked if the necessary funding is provided in a timely manner. As realignment alternatives and closure assessments continue, our cost estimates are subject to change. The Air Force Reserve is impacted at 3 of the 5 Air Force Bases recommended for closure:

- **Norton AFB, California (445th Military Airlift Wing-Associate), 48 C-141s:**

The estimated MILCON cost for our unit to move out of Norton AFB is $18.5 million. This unit has over 3,000 reservists and 330 full time personnel, representing almost 50% of the wartime requirement of the 48 C-141s assigned to the active 63rd MAW at Norton AFB. We hope that our MILCON requirements at the new locations, March AFB, California, and McChord AFB, Washington, will be covered by the DoD MILCON fund for base closures. We have one FY 1988 project now under construction at Norton, Aerial Port Facility, $1.7 million, construction is 2% complete. We will cancel this project and negotiate a buy-out cost with the contractor.

- **Mather AFB, California (940 Aerial Refueling Group), 10 KC-135 (8 currently, 2 additional aircraft in FY 1990/4):**

The report recommends our unit remain at Mather. If local authorities elect to operate Mather as a civilian airport and our unit remains in-place, a saving of $30.0 million in MILCON would be realized. There will be no impact on our unit. On the other hand, if we move to McClellan AFB, the estimated MILCON cost is $30.0 million. Presently, we have one FY 1989 project at Mather under design, 90% complete. The design has been stopped.

- **Chanute AFB, Illinois (912 Civil Engineering Squadron):**

The Air Force Reserve will need to relocate this civil engineering squadron. The new location(s) and cost are unknown at this time. We have one MILCON project in our FY 1990 program, a civil engineering facility at Chanute AFB with a programmed amount of $1.0 million. The project is 90% design complete. We have also stopped design on this project pending the outcome of the closure assessments.

CONCLUSION

In summary, our goals are to execute a balanced MILCON program in concert with our O&M program, to obtain the optimum return on every dollar, and to obtain the optimum functional facility for our investment. Our FY 1990 and 1991 MILCON budget requests are significantly reduced from our FY 1989 appropriations. Until the last few years, this program was considerably underfunded and did not allow for timely replacement and/or repair of World War II facilities. The current request, although a fair share under today's constraints, will once again add to the already considerable construction back-log of facility requirements. During a time when we are being asked to do more, the Air Force Reserve contributions to Total Force capability must not be hampered or reduced. With a fully approved FY 1990 and 1991 budget, the Air Force Reserve will become stronger and better prepared to perform our wartime mission.

This concludes my statement, Madam Chairman, I am prepared to answer your questions.

Mrs. **Schroeder**. Thank you, and I want to thank all of you for being terse and to the point.

The only problem I really have, and it is a major one, is that for all the talk about how we are going to do more with the Reserves and more with the Guard, which I think is economical; it makes sense; that is where we should be moving, I look at military construction. It is down 24 percent from last year. So you begin to wonder what is happening.

In a way, I feel like what is really happening is that they have all looked up here and seen Sonny Montgomery and how good he is and so they figure that they could cut that, make their budget look lower, and we would put it back in anyway because we have the good sense to know that was not the smart thing to do.

Is that what happened?

Mr. **Rosamond**. Madam Chairwoman, I would like to address that please. It is a very good question.

As I mentioned in my opening remarks, the MilCon budgets, in our view, were given due deliberation by the Department of Defense. Assistant Secretary of Defense Duncan for Reserve Affairs—I believe from the good State of Colorado—presented this case in front of the Defense Resource Board this summer in the development of the budget program.

The gentlemen at the table certainly prepared us well. They had priorities. They know the projects. They can talk to that $7 billion backlog just about any way you would like to have it addressed.

At that time, the deliberations were to go back and reassess the backlog, refine it some more and have a report submitted to the Department on 15 September, which these gentlemen did and it was submitted by my office and Secretary Duncan's office.

It was deliberated right to the end in the budget process during the fall and it was given due consideration and to put it simply—when it came down to the priorities of weapons, beans and bullets, it did not fare well.

You asked in this committee that we report back after last year's committee report on what we had done. I believe on 7 February, 1989, the Secretary's staff sent a report over attesting to the procedure. I think we we got a fair hearing; unfortunately, we didn't win the debate.

That is about all I can say on it. We were hurt. I can say one other thing, the Department of Defense did not reduce the service submissions. The dollar figures in these budgets are those that were basically presented by the services. We did make some adjustments at the Department level on planning design and cost factors. I believe we need to maybe educate the services. I am not sure about that, but it represents our best shot. I think everybody gave these gentlemen, as Gen. Sam Carpenter alluded to, a fair hearing, a day in court.

That is my response.

Mrs. **Schroeder**. I guess we are just frustrated. They may have had a fair hearing, but it appears that it didn't print.

I have been sold on the idea that this is the wave of the future, that we are going to be looking at really trying to create more and more surge capacity with the Reserves and the Guard and so to see a 24 percent cut from last year, I just find unbelievable. As I said, the only thing I can figure out is if we get into this political thing of, oh, our budget was lower, but Congress made us put it back in—is it possible—and I guess I should ask counsel this, do we get from the services what they sent in, what they presented at this hearing that was not heard?

I mean, do we get the same information that the Office of the Secretary of Defense gets? We don't. Is there any way we can request that and get it, because I think it would be important for us to see what was requested. I am very troubled by these numbers. I have to perfectly honest. I would like to see what went on at the hearing and what was asked for and what was denied. Could we get that for our records?

Mr. ROSAMOND. There was no hearing. There was a deliberation. I don't believe those documents have normally been provided outside of the Department of Defense in building the president's budget.

Mrs. SCHROEDER. I would like to ask the services, then, if they could send us copies of the documents they sent to OSD. I think that could be very helpful if we could see those directly as we proceed. That will help us with our deliberation.

Mr. ROSAMOND. I think that the way we would like to handle that is for us to go back and see if we can provide that. I am not sure we can. I am not sure what the policies are—I can say that normally OSD submissions are not provided to the Congress. We normally send the president's budget over and, in this particular case, as I just discussed, OSD did not reduce these budgets.

Mrs. SCHROEDER. All I can say is we have spent years trying to elevate the status of the Guard and the Reserve and I think you have made believers out of all of us and now we are beginning to wonder what in the world is going on. So, for us to make the kind of enlightened decisions, I hope we can get those documents. Otherwise, we will have to go out and reinvent the wheel.

I think this committee clearly is going to be making some changes.

Congressman Martin.

Mr. MARTIN. Thank you, Madam Chairlady.

Gentlemen, relative to what the chairlady just said, I want to ask some questions, and if you disagree with any of these figures, let me know because what I am getting at is the relatively constant percentage of military construction, Guard and Reserve, relative to the entire budget of the given service has stayed just about the same, unless I am mistaken, that, given a 24 percent cut in MilCon from last year.

Here is what I am talking about. In the 1988 request, talking about the Army, some 18.9 percent of all of the construction in 1988 was for the Guard and the Reserve in the Army budget, and in this request, that, as a percentage of total construction, has actually increased to 22 percent. Isn't that accurate?

The percentage of the total Army MilCon budget appropriated to the Guard and Reserve has increased over 1988. That is what I show.

Mr. ROSAMOND. Congressman Martin, I would like to provide that information for the record.

[The following information was received for the record:]

The percent of the Services Military Construction going to their Guard and Reserve varies from the President's Budget to appropriation as follows:

	1988	1989	1990	1991
PERCENT AS APPROPRIATED				
Army	18.9	21.6	18.2	14.5
Navy	4.9	3.7	4.3	3.9
Air Force	15.7	15.7	12.1	8.4
PERCENT AS BUDGET SUBMITTED				
Army	15.8	16.0	18.2	14.5
Navy	3.8	2.9	4.3	3.9
Air Force	13.8	13.7	12.1	8.4

Historical review shows little statistical significance to taking the Reserve components as a percentage of the Service MilCon other than all services are cutting their Reserve Forces MilCon a larger percentage than the Active and that the Army is drastically reducing all facilities investment for Active and Reserve, MilCon and RPMA.

Mr. ROSAMOND. I would like to turn to my colleagues here in the Army and ask them if they have a comment on it.

Mr. MARTIN. I just continue for the other services and note that the Air Force has gone down from 16.2 percent to about 14 percent of the total budget. That perhaps, General, is because we are not in the process in the next fiscal year of moving some of these units from the active to the Guard and Reserve, so we are not requiring more construction for the bed-down. Isn't that what you said?

General CARPENTER. Yes, sir. It is primarily due to the slowdown in the conversions to the Guard and Reserve, in our case.

Mr. MARTIN. As far as the Navy and the Marine Corps are concerned, notwithstanding the cut in MilCon for the Guard and Reserves, I am talking cumulatively, because you have a plus-up, don't you, General Downs?

General DOWNS. That is correct, Congressman.

Mr. MARTIN. Which is probably because of the thinking of taking some of the bulk fuel and artillery and putting that in the Reserves that we are talking about——

General DOWNS. We really haven't caught up with that yet. Our increase was a result of a conscious decision on the part of the Marine Corps to increase and stabilize funding for our Reserve forces.

Mr. MARTIN. But the point I am making, and I think it is accurate, taking into account what the chairlady said, and those figures are accurate, too, but as a percentage of total construction, Army, Air Force, Navy, that percentage has stayed pretty much constant from 1988; isn't that correct?

Mr. ROSAMOND. I believe that is correct, Congressman.

Mr. MARTIN. OK. I will give you a copy of the figures I have and maybe what we will do, to save you from reinventing the wheel, you let me know if you think they are wrong.

Mr. ROSAMOND. I would be delighted to.

Mr. MARTIN. Now, Mr. Rosamond, other than the changes to the construction requirements that may be caused by the action of the

Base Closure Commission report, what do you think the impact will be on the Guard and Reserve personnel? What I mean is, if complete units move, will you be able to reestablish these units at other locations and, more specifically, as to the Air Force—I would like to know from all of the services—but as to the Air Force, I have an interest in where you go if you are now training at Chanute, where you go with those Reserve and Guard people to the nearest strip?

Mr. ROSAMOND. In general terms, before I turn it over to the Air Force, I think it will be minimum damage as a result of the Commission's report, as it stands as we know it now. But I would also like to say that it depends on how that report is executed. As General Carpenter alluded to, they could stay at a particular air base and lease facilities, et cetera. It might be to our advantage.

In the interest of the Air Force, I would defer to General Carpenter and General McMerty.

General CARPENTER. In the case of Norton AFB, California, that is a large Reserve unit, as you know. We have about 3,000 Reservists there and about 330 full time. The plan is to move 36 C-141s to March AFB and we can do that with minimal impact.

The other plan is to move the remainder of the aircraft to McChord AFB. Now, naturally, we cannot move Reservists from Norton to McChord. We would hope to do that through attrition, though, and not really put anyone out the gate. That is our plan.

We would then have the capability at McChord to recruit against those aircraft. I think the key there is we can make that transition, like I said in my testimony, if we get the DOD funding for the required military construction.

Now, at Chanute, Congressman Martin, you alluded to, we have an engineering squadron there consisting of approximately 100 men and women. That is going to be difficult, to be honest, to move those people without some concern on the part of the Reservists. We are looking now as to where we may split that unit up and move it. There is no close location around there within 50 miles, as you know, that a reservist can drive to. So we are going to have to wrestle with that, but my boss, General Scheer, is very conscious about that and will go to great length to make sure that no Reservist loses a job, or no technician loses a job. Be assured that we will work that problem hard.

Of course, at Mather AFB, if we remain in place, there is absolutely no impact whatsoever.

General MCMERTY. Sir, at the Air National Guard, there is no significant impact on us. At Pease, where we have a unit, we expect it will incur some additional cost to maintain our unit there assuming that some political entity or political subdivision, a metropolitan regional airport of some sort is established there, which is what we expect to happen, sir.

Mr. MARTIN. Let me just ask one follow-up for just my education to make sure I understand the accounting of these kinds of things.

If you have an active Air Force facility and the active units are removed from the facility—they are the folks that were paying the utilities, the upkeep and whatever out of their O&M accounts, doesn't it have a significant impact on the Guard and Reserve when you have to pay the bills?

General CARPENTER. Yes, sir. You have to take over the operation of the field and that is really the case of Mather AFB. We would hope that the civilian authorities would move in and pick up that cost. Then it would be economical to leave the Reserve there in a cantonment area to operate on that field.

But if we had to pick up the cost of operating the field, that would be a significant cost to the Air Force Reserve.

Mr. MARTIN. Thank you. I appreciate you letting me run over my time.

Mrs. SCHROEDER. Thank you.

Congressman Montgomery.

Mr. MONTGOMERY. I will be very brief.

Madam Chairwoman, Mr. Rosamond is from Lexington, Mississippi, so I will have to be kind of easy on him here, but I am concerned about the figures we have before us.

Mr. Secretary, is the OSD—do they give you a top-dollar figure for military construction for the Reservists and then you take this top-dollar figure and you divide it out until each of the other services in Reserve and National Guard—how much they have and then they come up with the request of where they want to spend it?

Mr. ROSAMOND. Congressman Montgomery, the way that it is handled in the Department, the Comptroller at OSD gives total obligation authority appropriated for a particular budget year by service, that is *x* number of dollars as a funding level to the Army, Navy and the Air Force.

The distribution of those funds are determined at the service level by appropriation such as MilCon Active, MilCon Reserve, O&M active, O&M Reserve, personnel, et cetera. That determination is made at the service level. Their submission is presented to us and we, in the case of the Reserve MilCon this past year, took exception to the services' submissions and tried to increase it. That is the way it is done. Does that address your question?

The services are given the dollars and they break it out by appropriation. I do not break out *x* number of dollars in military construction to the Army National Guard or the Air Force Reserve or the Naval Reserve. It is not done in my office. It is done at the service level.

Mr. MONTGOMERY. OK. We submitted last year design funds for nine projects in the budget request and for some reasons, these nine projects were dropped. Are you familiar with those projects? I know some in the 1991 request—we thought if we gave you design funds that all of these nine projects and Congressman Hutto is especially interested in one—why were they dropped and some were picked up in 1991 and some of them are totally out of the budget?

Mr. ROSAMOND. I am familiar with the concern of Congressman Hutto. I spoke to him prior to the hearing. I would like to answer that for the record on a detailed basis by project. As you mentioned I believe it is approximately three that are in the fiscal year 1991 program. There might be good reasons for those projects not being included such as from a standpoint of was the site available or were the design funds provided late as a result of when the money was available in terms of the budget process?

I just don't know. I will be more than happy to give you a detailed response on that by project.

[The following information was received for the record:]

The services have provided the following Reserve and National Guard project information:

For the Army National Guard

The Army National Guard was unable to comply with the Committee's directive to include a project for which design funds were appropriated in their fiscal year 1990 military construction program request for the following reason:

Location	Project title	Cost ($000)
Laredo, TX	Armory	2,263

The Adjutant General for Texas has been unable to secure the land for the proposed armory. The National Guard Bureau is assisting the Adjutant General in resolving this problem. Design will be authorized when the site is secured and construction will be requested in the next available program.

For the Army Reserve

Documentation detailing the total requirements for the U.S. Army Reserve Center Addition/Alteration and Aviation Activity at Syracuse, New York and the U.S. Army Reserve Center Addition/Alteration with OMS at Brownsville, Pennsylvania has been requested from the using units. Upon receipt of such documentation, the design for both projects will be initiated. A programmed construction year for each project will be established in the June 1989 cycle of re-prioritizing the U.S. Army Reserve 5-year construction plan.

For the Air National Guard

In fiscal year 1989 the Air National Guard was directed to include in the fiscal year 1990 program the following military construction projects. These projects were included in the fiscal year 1991 program because they did not meet the fiscal year 1990 Congressionally-mandated 35 percent design milestone by 1 January 1989.

Location	Project title	Cost ($000)
Fort Huachuca, AZ	Composite deployment support facility	2,350
Camp Blanding, FL	Base supplies/equipment warehouse	1,100
Do	Composite general support and training facility	2,250
Gulfport, MS	Add to and alter AGE vehicle maintenance facility	1,150
Do	Add to and alter base engineer maintenance facility	520
Do	Alter base supply warehouse	230
Do	Comm-electronics training facility	2,300
Key, MS	Aircraft maintenance dock	6,000
Thompson, MS	Base civil engineering facility	1,600
Do	Composite medical training and security policy facility	1,500
Reno, NV	Composing dining and medical training facility	2,400

As a result of the Base Realignment and Closure Commission Report, which recommended the closure of Mather AFB, CA, the Air National Guard expects to utilize existing facilities on Mather to relocate the Communications Squadron from North Highlands. For this reason, projects totaling $7.8 million for new construction to support the relocation were not included on the fiscal year 1990-1991 requests.

Mr. **Montgomery**. We actually did what you requested, I thought we did, and then they were dropped.

Mr. **Rosamond**. Congressman, I personally made that request. I think that concept of putting the money there for design purposes and trying to program the projects in subsequent years is still a very basic concept. I still support that and I think it is a good way of doing business.

The particular reasons for these projects being dropped, I would like to provide that for the record. There might be good reasons. If we made a mistake, I will be the first one to admit it.

Mr. MONTGOMERY. Madam Chairwoman is right. I hope she continues to feel like she does and doesn't change. The Reserve and the Guard is a way to go, in my opinion.

I am concerned about the cutback on the military construction for these Reserve units.

Thank you, Madam Chairwoman.

Mrs. SCHROEDER. If the gentleman will yield, I think we have now uncovered what happened. They also—you see, the gentleman from Mississippi knows how powerful the Congressman from Mississippi is, so they can always cut this one lower and they know it will be put back.

Mr. MONTGOMERY. I am scared it is too big for me.

Thank you, ma'am.

Mrs. SCHROEDER. Thank you.

Congressman Blaz.

Mr. BLAZ. Thank you very much, Madam Chairwoman.

I cannot help but make the observation that seven witnesses in 70 minutes, that is a Speedy Gonzalez thing. This is a testament to military efficiency, no doubt.

I have a question, a big one and a small one, the small one is for the Marine Corps. I could not help but notice that every other witness here is from the Reserve component. The Marine witness is from the—what is perceived as the regular establishment. Any reason why the Reserve component commander of the Marine Corps is not here instead? Have you any particular reason for that?

General DOWNS. The reason, Congressman Blaz, is because I have the responsibility for military construction of the total force. We work very closely with the Reserve component. The individual action officer, who works for me, running the Marine Reserve MilCon, is a full-time support Reservist.

Mr. BLAZ. Wonderful. OK, thank you.

Let me get to the bigger question. I also support the idea of the way of the Guard and the Reserve. I am a Montgomery disciple, to make it very brief. I was before I came here; I became more after I got here.

But there is a question that comes up once in a while in my mind and that is this: As we get more ambitious and we want to become bigger, the question is, are we in a position to recruit enough Reservist and National Guardsmen of the quality that we would need if we were to accomplish what we think we can do; and second, if we did that, is there a possibility that in the course of time, communities may somehow resent the idea that there just may be too many people in the various communities in uniform, Guardsmen, Reservists, everywhere, given the history of our country and its attitude toward a very large military?

I am asking out of affection, not out of any criticism. I want to state the case again. I am very supportive of what is happening. I share the concerns of why it is that we are going on in our request for appropriations, et cetera, but nevertheless, I would think that one would want to ponder on that question sooner or later.

Mr. ROSAMOND. Congressman, let me address that in general terms and I certainly welcome the comments from anyone at the table with me as they see fit.

First off, when you look at the total population and the age pool that we are looking at for the Reserves, yes, that is probably decreasing. The population is getting older in general. I think that our mechanism to recruit is in place. I don't foresee a major problem there.

My colleagues at the table might have some differences of opinion, and they are welcome to express those.

With respect to the latter part of your question about having too many Reserves and too many National Guard people in the hometowns of this country, I don't think the Nation will ever oppose the citizen soldier. If we look back in history, the citizen soldier was called upon to defend the Nation in World War II, Korea, not so much in Vietnam, but he did a very fine job. I like to think of the Guardsman and the Reservist as statue of strength in the community. I like to think of the armory as a center of activity of the community As you probably know, we use these facilities to support the community.

I just don't perceive—or maybe I don't want to perceive, any problem along those lines from this great Nation. The day we get there, we are in trouble.

Does that address your question, Congressman?

Mr. BLAZ. Yes, thank you.

Does anyone else want to comment?

Admiral CHAMBERS. Let me just comment, sir. The quality of the Naval Reservist we have onboard today is the finest quality I have seen. I have been associated with the Naval Reserve almost 33 years. It is not to say that we don't need some more highly skilled Reservists and are trying very hard to recruit them, but as far as the quality goes, I have never seen it higher. It is a pleasure to be associated with the Naval Reserve today, as opposed to 15 or 20 years ago.

Mr. BLAZ. OK.

General CARPENTER. If I may just make a brief comment, this might sound funny coming from a Reservist, I think there is no doubt that we cannot defend this country with an all-Reserve force and I think most people would admit to that.

I think your question is one of degree. We could certainly, in the Air Force Reserve, if we had the money, robust, and have more economical units. We could enhance our combat capability, but since I have been here in 1984, we have been operating in the reduction mode, not because I arrived, but that is just the way the money has been going.

The Air Force has taken some real cuts, as we all know, and we have shared in those and we have also cut force structure along with the active Air Force. I think if you look at the Reserve mission, you have to look at wartime requirements, a mission that has a low peacetime activity, but in wartime, requires a higher wartime activity, or surge, if you will. That is what makes a good Reserve mission.

But you have to be very careful how you plan that force mix. You have to make sure you can carry on the peacetime activity without calling up the 200K every time you turn around.

So we think in the Air Force we have a very good mix. Now, I do agree with you that at some point out there in the future, and I don't know where it is and I don't think anyone does, if you grow the Reserves too much, you will meet a point where we will end up training people just to come into the Reserve, instead of having the luxury now of taking 80 percent of our people who are well-trained in the best Air Force in the world and bringing them into the Guard and Reserve. So if you grow too much, those lines are going to cross at some point where it will become uneconomical.

Mrs. **SCHROEDER**. Congressman Ravenel.

Mr. **RAVENEL**. Thank you, Madam Chairwoman.

Mr. Rosamond, I just want to echo what the chairwoman said and General Montgomery.

As you know, because of the extreme financial distress that our country finds itself in—no two ways about it—the size of the active force is being reduced and is going to have to be reduced still further, commensurate with the build-up in the Guard and the Reserves. I just share her concern about the figures that you have all come in with, insofar as MilCon is concerned.

Of course, as you know, General Navas, my State has the finest National Guard in the country, so judged by the Guard, very political. Our Adjutant General has to run for office down there. It is a very political Guard, and of course, I will find out very quickly what the true story is insofar as MilCon requests are concerned. I would also like to see the request that you folks made, and General McMerty, have there been any MilCon requests there at McIntyre?

General **MCMERTY**. Sir, we don't have any there right now, and to my knowledge, General Marchand has not let us know of anything that we haven't provided for, but I am sure he would be unabashed at doing so if he felt so inclined.

Mr. **RAVENEL**. Admiral Chambers, I know that the Naval Reserve is trying to get some more medium-lift aircraft, C–130s. If you all get them, and hopefully you will get them, where would they be based and where do you think they would be based? Do you have facilities there to take care of them?

Admiral **CHAMBERS**. Sir, we do have a need for heavy/medium-lift C–130/C–9. That has been documented in a couple of studies that have come out of the Center for Naval Analysis. As a matter of fact, we have 39 medium/heavy-lift aircraft versus a need for about 79. Hopefully we will get the C–130s mentioned.

Actually, where we would base them is under study right now. We are looking at several sites. New Orleans, Little Rock, Alameda, in California, and that study is under way right now.

Now, initially, in this budget cycle, if we did get some C–130s, they would have to go to a site that already has the facilities available so that MilCon will not be required. In the follow-on budget cycle, there would have to be a request for MilCon, but initially, I would have to go with a site that has the facilities available.

Mr. **RAVENEL**. I would say to you all in conclusion that, for gosh sakes, don't sit around now on your hands, with your hands over your mouths, when this committee, in particular, in the Congress looks upon the Guard and the Reserves as a great area of economic assistance for the country, because, as you know, for every full-time person that we support in the active services, we can support four of you in the Guard and the Reserves. We make up about 68 percent now of the Air Defense of CONUS and over 50 percent of the Army. That is just great.

Personally, I think they ought to take that wing of aircraft at Torrejon and give it to you folks and reduce end-strength, both civilian and active duty, in the Air Force to that extent. I think you could all use the F-16s and certainly the country could use the economic relief. I don't believe we need to move them to Italy, where we will probably be gone from probably before we complete the facilities over there.

I hate to see the substantial requests that we received just the other day for additional MilCon there and in the European theater when a lot of us think, who have been over there recently, that our days in those areas are limited and the money that we will be spending over there will be just money poured down the drain, when we could take that money and improve the facilities of you folks in the Guard and the Reserves.

Let us know. You Mississippians are a tough crowd down there and——

Mr. ROSAMOND. We are very proud of that, Congressman.

Mr. RAVENEL. Yes, sir. Don't you let that crowd over there at DOD hassle you, either.

Mr. ROSAMOND. I received some comments from the other chamber, from Senator Sasser. I can assure you I am not timid and I do mix it up.

Mr. RAVENEL. Good man. Good man, Barksdale.

Thank you, Madam Chairwoman.

Mrs. SCHROEDER. Thank you, Congressman.

Congressman Bilbray.

Mr. BILBRAY. I wish you hadn't brought up the deactivation of wings to the National Guard and Reserves, but if that one from Torrejon does come, I hope it goes to Nellis Air Force Base to make up for the 474th.

In reference to that, the 1988 authorization bill provided in the report language that—this is for the Air National Guard and Reserve—that Indian Springs facility in Nevada would be looked at as a possible site for either a new Army Reserve or Air National Guard unit.

I have a letter here dated February 14, 1989, from General Temple, in which—I am not sure that you are familiar with this letter, but it points out that present Air Force Reserve or Air National Guard facilities are only being looked at in present facilities where they actually have units at the present time.

We have a large group of Air Force people in Las Vegas, Nevada, as you can gather. I mean, it almost seems like every other one of my neighbors is an ex-pilot. Many of them want to participate in the Air National Guard in southern Nevada. Indian Springs Air Force Base is continued to be looked at, according to this letter, for a—"with Air Force approval, the Air National Guard will conduct a facility survey of Indian Springs Air Force Base for further purposes in future reference," but stating the fact that at the present time, there is no interest in that.

I would say that Indian Springs facility is an existing facility lying only about 40 minutes from Las Vegas. The facility is virtually unused except for an auxiliary base for Nellis Air Force Base. They maintain it, though. Private contractors are there in reference to the test site. It is a great facility.

I guarantee you there are thousands of pilots in the Las Vegas area that were all fighter-trained at Nellis Air Force Base, served their time, liked the weather, liked the conditions, liked the low cost of living in Las Vegas and stayed there.

I would hope that this group would continue to look at Nellis Air Force Base because basically I was reasonably assured that with the loss of the 474th, which most of the Air National Guard and Reserve units end up with those planes that came from Nellis—and that is being deactivated as of April 1 right down the line—that an Air National Guard unit would be established in my area.

We are 60 percent of the population of our State and we have a unit—one at Reno, but not in Las Vegas, and of course, the Reno facility uses an existing airport facility. We think we have a better facility in southern Nevada and more people.

Also what is interesting, one of the reasons for the breakup of the 474th was the statement that Nellis was an overcrowded base, yet as some of the language and some of report language from the Base Closing Act mentioned and kind of alarmed us, saying that Nellis was underused and that there was additional ground space and it was only acting at a capacity much lower than its full capacity, which was 180 degrees from the report that said the 474th should get out of there because it was overcrowded. Then the base report says it is underused.

It gets a little confusing to a poor second-term Congressman from Nevada.

I have an additional question, though. This is probably to the Assistant Secretary. When I served in both the Board of Regents of the university system and I also served in the Nevada State Legislature, all agencies had their wish lists and they would prepare a capital improvement list that would go on maybe for 10 years in which you would list maybe 200 items and how much the estimated costs would be. Then every year or 2 years, we would actually keep going up that list. Now, those things were not in concrete. We could vary those periodically, but—and some of the questions, if you have nine or ten items that come before the committee, this is what looks like we want to build, and we move up that list, and as we fund, you keep going up the list.

So Item 9 may be Item 2 in the next year or then go off the list and Item 40 might be number 13. Do you have such a list of hundreds of potential projects for the Reserve and National Guard that you want to build, and as we move up this list, do you stay with that list or are those lists varied drastically from year to year?

Mr. ROSAMOND. Congressman, we have developed an extensive system to report on backlog of construction by component, by appropriation. These backlog figures that were alluded to earlier—it is about $7.2 billion. Those priorities of projects within those backlogs are determined by the services. I do not, at OSD, determine what those priorities should be. I feel that is an operational matter that rests with the services. Basically, they do have that type of information.

Now, what might be number 13 on the list today could well be next year, due to structure changes, bed-down changes, say, in the Air Force, could be number 30 and number 20 might be number 5, but that is their decision.

They have at that level that type of information to manage. I believe they do have it.

Mr. BILBRAY. Can I have a copy of the list, the priority list, for the National Guard and Reserves of what maybe your top 100 items are for construction over the next 5 years?

Mr. ROSAMOND. I would like to go back and address that for the record and try to provide that for you. I don't think I will have any problems within the Department on that. I think we can come up with something along those lines.

[The following information was received for the record:]

The services have provided the following Reserve and National Guard list of priority Military Construction projects that are presently in their backlogs.

COMMITTEE INSERT ARNG PROJECT LIST

The list of candidate projects currently identified by the Army National Guard five-year program are as follows based on priority and availability for execution:

LOCATION/ PROJECT TITLE	STATE	ESTIMATED COST
SHOWLOW	AZ	
ORGANIZATIONAL MAINT SUB SHOP		$467
ST AUGUSTINE	FL	
ARMORY, TRAINING AND STORAGE		$2,332
ORGANIZATIONAL MAINT SHOP		$320
WILLIAMSON COUNTY	IL	
ARMORY, TRAINING AND STORAGE		$2,152
ORGANIZATIONAL MAINT SHOP		$440
FORT WAYNE	IN	
ARMORY, TRAINING AND STORAGE		$1,750
ORGANIZATIONAL MAINT SHOP		$483
CAMP GRAYLING	MI	
TRNG SITE, WASTE TRMT PLANT		$3,283
NORMAN	OK	
ARMORY, TRAINING AND STORAGE		$870
ELGIN AFB	AL	
RANGE, MULTIPURPOSE, UPGRADE		$3,295
BENTON	AR	
ARMORY, TRAINING AND STORAGE		$914
CAMP ROBERTS	CA	
RANGE REHAB KNOWN DISTANCE		$300
CAMP O'NEILL	CT	
TRNG SITE, BKS/ADM/SUP/LAT PH II		$2,876
CAMP BLANDING	FL	
RANGE, MOUT ASSAULT COURSE MAC		$300
WAUCHULA	FL	
ARMORY, TRAINING AND STORAGE		$1,077
CAMP ATTERBURY	IN	
TRNG SITE, FACILITY PH 6B		$4,550
RANGE, NIGHT FIRE		$286
RANGE AFF (RETS) UPGRADE		$369
FORT RILEY	KS	
MOB AND TRAINING EQUIP SITE EXP		$5,733
AMITE	LA	
ARMORY, TRAINING AND STORAGE		$900
BOGALUSA	LA	
ORGANIZATIONAL MAINT SHOP		$687
CAMP BEAUREGARD	LA	
ORGANIZATIONAL MAINT SHOP		$637
LAFAYETTE	LA	
ORGANIZATIONAL MAINT SHOP		$599

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION/ PROJECT TITLE	STATE	ESTIMATED COST
ANNAPOLIS	MD	
ARMORY, TRNG AND STORAGE, ADD/ALT		$994
DUNDALK	MD	
ARMORY, TRNG AND STORAGE, ADD/ALT		$1,106
HAGERSTOWN	MD	
ARMORY, TRNG AND STORAGE, ADD/ALT		$1,322
BOG BROOK-RILEY	ME	
RANGE, 50M BAFFLED 10M/M60 MACHI		$334
CAMP CRAYLING	MI	
TRNG SITE, BOQ		$940
TAYLOR	MI	
MOTOR VEHICLE STORAGE BLDG		$742
WAYNE COUNTY	MI	
MOTOR VEHICLE STORAGE BLDG		$796
BRAINERD	MN	
MOTOR VEHICLE STORAGE BLDG		$519
CAMP RIPLEY	MN	
USPFO ADDITION		$558
FLOWOOD (JACKSON)	MS	
USPFO ADDITION		$590
CAMP BUTNER	NC	
RANGE, MODIFIED RECORD FIRE(RETS		$1,000
FORT BRAGG	NC	
MOB AND TRNG EQUIP SITE PAVEMENT		$2,600
RALEIGH	NC	
USFPO ADDITION		$2,100
SANTA FE	NM	
COMBINED SUPPORT MAINT SHOP		$2,132
USPFO, WAREHOUSE		$905
CARSON CITY	NV	
COMBINED SUPPORT MAINT SHOP		$3,100
ORGANIZATIONAL MAINT SHOP		$676
UMATILLA ARMY DEPOT	OR	
RANGE, 300 METER KD COMPLEX		$400
FORT MIFFLIN	PA	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$339
FORT BUCHANAN	PR	
ARMORY, TRAINING AND STORAGE, PH I		$8,400
FORT MEADE	SD	
TRNG SITE, BARRACKS		$590
UTAH COUNTY, SOUTH	UT	
ARMORY, TRAINING AND STORAGE		$2,289
ORGANIZATIONAL MAINT SHOP		$902
NEWPORT NEWS	VA	
ARMORY, TRAINING AND STORAGE		$2,600
SANDSTON	VA	
ARMY AVIATION SPT FACIL, ADD/ALT PH		$2,100

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION/ PROJECT TITLE	STATE	ESTIMATED COST
CAMP JOHNSON	VT	
ORGANIZATIONAL MAINT SHOP		$926
APPLETON	WI	
MOTOR VEHICLE STORAGE BLDG		$396
PRAIRIE DU CHIEN	WI	
MOTOR VEHICLE STORAGE BLDG		$380
CAMP GUERNSEY	WY	
TRNG SITE, 200-PERSON BKS		$1,238
LANDER	WY	
ORGANIZATIONAL MAINT SUB SHOP		$277
CAMP ROBINSON	AR	
C-12 HANGAR		$300
FORT BELVOIR	DC	
AVIATION SUPPORT FAC ADDITION		$1,357
VERNAL	UT	
ORGANIZATIONAL MAINT SHOP PURCHASE		$217
CAMP MAXEY	TX	
RANGE, MOD RECORD FIRE (RETS)		$693
CP DOUGLAS	WI	
TRNG SITE WASTE TREATMENT PLANT		$380
FORT ATKINSON	WI	
MVSB MOTOR VEHICLE STORAGE BUILD		$242
MOBILE	AL	
ORGANIZATIONAL MAINT SHOP ADDITION		$318
URBANA	IL	
ARMORY, TRAINING AND STORAGE REHAB		$865
TAUNTON	MA	
ARMORY, TRAINING AND STORAGE		$2,091
CAMP EDWARDS	MA	
RANGE, MOUT ASSAULT COURSE		$415
CARIBOU	ME	
ORGANIZATIONAL MAINT SHOP		$658
NORWAY	ME	
ARMORY, TRAINING/STORAGE ADD/ALT		$708
FORT CROWDER	MO	
TRNG SITE, MEDICAL UNIT TRNG FAC		$373
CAMP SHELBY	MS	
RANGE, TT VIII (RETS)		$1,862
TRNG SITE, BOQ PHASE I (04-06)		$338
RANGE, M-16 NIGHT FIRE 65 LANES		$209
FORT HARRISON	MT	
TRNG SITE, FIRE STATION		$334
TRNG SITE, MEDICAL UNIT TRNG FAC		$402
ACADEMY, STATE MILITARY		$4,717

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION/ PROJECT TITLE	STATE	ESTIMATED COST
STEAD (RENO)	NV	
AVN AASF PARKING & TAXIWAYS		$650
GUILDERLAND LTA	NY	
TRNG SITE, BRIDGE REPLACEMENT		$325
EAST GREENWICH	RI	
ARMORY, TRAINING AND STORAGE		$4,133
DESMET	SD	
ARMORY, TRAINING AND STORAGE		$810
CAMP WILLIAMS	UT	
RANGE (LAW)LIGHT ANTI-ARMOR WEAP		$108
RANGE COMBAT PISTOL 15 LANES		$209
NORTH SPRINGFIELD	VT	
ORGANIZATIONAL MAINT SHOP		$573
SUPERIOR	WI	
MVSB MOTOR VEHICLE STORAGE BUILD		$331
WHITEWATER	WI	
ORGANIZATIONAL MAINT SHOP		$764
RICHLAND CENTER	WI	
ARMORY, TRAINING AND STORAGE		$935
MVSB MOTOR VEHICLE STORAGE BUILD		$159
WHITEWATER	WI	
ARMORY, TRAINING AND STORAGE		$1,080
MVSB MOTOR VEHICLE STORAGE BUILD		$306
NEW RICHMOND	WI	
MVSB MOTOR VEHICLE STORAGE BUILD		$82
ARMORY, TRAINING AND STORAGE		$1,240
DAGSBORO	DE	
ARMORY, TRAINING AND STORAGE		$2,022
SUMMERVILLE	GA	
ARMORY, TRAINING AND STORAGE		$788
CORNING	IA	
ARMORY, TRAINING AND STORAGE		$866
CAMP ATTERBURY	IN	
RANGE LMG/SAW SQUAD AUTO WEAPON		$476
CAMP BEAUREGARD	LA	
RANGE, MOD RECORD FIRE (RETS)		$866
CAMP EDWARDS	MA	
TRNG SITE, PERIMETER FENCE		$253
FORT DEVENS	MA	
COMBINED SUPPORT MAINT SHOP-REHAB		$706
CAMP SHELBY	MS	
TRNG SITE,ENGINEER BUILDING 6678		$350
FORT HARRISON	MT	
ARMORY, TRAINING AND STORAGE		$2,320

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION/ PROJECT TITLE	STATE	ESTIMATED COST
KINSTON	NC	
ARMORY, TRAINING AND STORAGE		$2,478
ORGANIZATIONAL MAINT SHOP		$547
GOLDSBORO	NC	
ORGANIZATIONAL MAINT SHOP		$410
CONCORD	NH	
ARMORY, TRAINING/STORAGE ADD/ALT		$799
ORGANIZATIONAL MAINT SHOP ADDITION		$333
BELEN	NM	
ARMORY, TRAINING AND STORAGE		$1,273
CLOVIS	NM	
ARMORY, TRAINING AND STORAGE		$1,603
FARMINGTON	NM	
ARMORY, TRAINING AND STORAGE		$1,163
GOSHEN	NY	
ARMORY, TRAINING AND STORAGE		$2,974
PENDLETON	OR	
ARMORY, TRAINING AND STORAGE		$1,539
WARWICK	RI	
ORGANIZATIONAL MAINT SHOP ADD/ALT		$230
EAST GREENWICH	RI	
ORGANIZATIONAL MAINT SHOP		$741
CLINTON	TN	
ARMORY, TRAINING AND STORAGE		$1,160
MC KINNEY	TX	
ARMORY, TRAINING AND STORAGE		$819
ADDICKS	TX	
ARMORY, TRAINING AND STORAGE		$3,992
TEMPLE	TX	
ORGANIZATIONAL MAINT SHOP		$752
SOUTH BURLINGTON	VT	
ARMORY, TRAINING/STORAGE ADD/ALT		$545
BELIOT	WI	
ARMORY, TRAINING AND STORAGE		$1,503
CHEYENNE	WY	
ARMORY, ANNEX		$2,057

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION/ PROJECT TITLE	STATE	ESTIMATED COST
MOSES LAKE	WA	
ARMORY, TRAINING AND STORAGE		$1,586
GRANDVIEW	WA	
ARMORY, TRAINING AND STORAGE		$1,468
FORT INDIANTOWN GAP	PA	
ARMORY, TRAINING AND STORAGE		$6,979
TEMPLE	TX	
ARMORY, TRAINING AND STORAGE		$2,700
WHEELING	WV	
AVIATION SUPPORT FAC (LIMITED)		$3,832
FORT JUAN MUNA	GU	
TRNG SITE, WEAPONS STORAGE BUILDING		$323
TOWSON	MD	
LOGISTIC CENTER, WAREHOUSE		$373
ST CROIX	VI	
US PROPERTY/FISCAL OFFICE-WAREHOUSE		$1,785
ST. CROIX	VI	
US PROPERTY/FISCAL OFFICE		$1,899
FARGO	ND	
ARMORY, TRAINING AND STORAGE, ADD		$4,217
OMAHA	NE	
ARMORY, TRNG/STORAGE ADD/ALT		$1,748
BORDENTOWN	NJ	
ARMORY, TRNG/STORAGE ADD/ALT		$2,018
TUSCALOOSA	AL	
ARMORY, TRAINING AND STORAGE		$1,760
TIFTON	GA	
ARMORY, TRAINING AND STORAGE, ADD		$753
CARTERSVILLE	GA	
ARMORY, TRAINING AND STORAGE		$1,039
ELBERTON	GA	
ORGANIZATIONAL MAINT SHOP, ADD		$339
COVINGTON	GA	
ARMORY, TRAINING AND STORAGE, ADDIT		$1,093
DECATUR	IL	
ARMORY, TRAINING AND STORAGE		$2,653
CAMP BEAUREGARD	LA	
RANGE, M60 TRANSITION/10M		$215
MEDFORD	OR	
ARMORY, TRNG/STORAGE ADD/ALT		$1,459
ETHAN ALLEN	VT	
RANGE, TANK CREW COMBAT(TT 8)		$656
BUTLER	PA	
ARMORY, TRAINING AND STORAGE		$1,957
WASILLA	AK	
ARMORY, TRNG/STORAGE ADD/ALT		$2,500
BRUNDIDGE	AL	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$324

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION / PROJECT	STATE	ESTIMATED COST
FT. RUCKER (OZARK)	AL	
UNIT TRNG EQUIP SITE, ADDITION, ALT		$324
PAPAGO PARK	AZ	
ARMORY, TRAINING AND STORAGE, ADDIT		$581
PUEBLO ARMY DEPOT	CO	
ARMORY, TRNG/STORAGE ADD/ALT		$311
HINESVILLE/FORT STEWART	GA	
ORGANIZATIONAL MAINT SHOP		$269
KOHALA/KAPAAU	HI	
ARMORY, TRAINING AND STORAGE		$826
CAMP DODGE	IA	
LAND ACQUISITION (1400 ACRES)		$2,100
GOWEN FIELD	ID	
US PROPERTY/FISCAL OFFICE, ADD		$977
GOWEN FIELD	ID	
TRNG SITE, AMMO STG		$2,595
DECATUR	IL	
ORGANIZATIONAL MAINT SHOP		$460
GREAT BEND	KS	
ARMORY, TRAINING AND STORAGE		$986
FORT RILEY	KS	
TRNG SITE, VEHICLE WASH FACILITY		$1,691
CAMP BEAUREGARD (PINEVIL	LA	
RANGE, 25M PISTOL		$300
CAMP BEAUREGARD	LA	
RANGE, MOUT ASSAULT COURSE		$1,214
CAMP BEAUREGARD (PINEVIL	LA	
RANGE KNOWN DISTANCE		$453
OAKLAND COUNTY (DETROIT)	MI	
ORGANIZATIONAL MAINT SHOP		$380
CAMP RIPLEY	MN	
TRNG SITE, CRASH/RESCUE OPNS ADD		$220
FORT CROWDER (NEOSHO)	MO	
TRNG SITE, FEMALE QUARTERS		$194
CAMP SHELBY	MS	
TRNG SITE, BOQ FIELD GRADE OFFICE		$338
BILLINGS	MT	
ARMORY, TRAINING AND STORAGE		$4,938
CAMP PERRY	OH	
RANGE, COMBAT PISTOL		$368
WORTHINGTON	OH	
US PROPERTY/FISCAL OFFICE		$610
LEHIGHTON	PA	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$200
SCRANTON	PA	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$279
FORT BUCHANAN	PR	
ARMORY, TRAINING AND STORAGE, PH II		$5,600

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION / PROJECT	STATE	ESTIMATED COST
CAMP VARNUM(NARRAGANSETT	RI	
TRNG SITE, SEWER LINE REPLACEMEN		$300
COLUMBIA	SC	
US PROPERTY/FISCAL OFFICE, ADD		$319
CAMP WILLIAMS (RIVERTON)	UT	
ARMORY, TRNG/STORAGE ADD/ALT		$373
CAMP WILLIAMS (RIVERTON)	UT	
TRNG SITE, DINING FAC (5) RENOVATIO		$325
CAMP WILLIAMS (RIVERTON)	UT	
TRNG SITE COMMAND HEADQUARTERS		$262
OGDEN	UT	
ARMORY, TRNG/STORAGE ADD/ALT		$368
PORTSMOUTH	VA	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$296
ETHAN ALLEN F R(JERICHO)	VT	
TRNG SITE, RANGE SUPPORT BUILDING		$300
ETHAN ALLEN FR (JERICHO)	VT	
RANGE, VARIOUS		$250
TACOMA	WA	
PIER FACILITY		$6,270
FORT MCCOY	WI	
MVSB, MOTOR VEHICLE STORAGE BLDG		$399
SUSSEX/MENOMONEE	WI	
MVSB, MOTOR VEHICLE STORAGE BLDG		$317
WAUKESHA	WI	
MVSB, MOTOR VEHICLE STORAGE BLDG		$228
NEWCASTLE	WY	
ORGANIZATIONAL MAINT SHOP		$356
THERMOPOLIS	WY	
ORGANIZATIONAL MAINT SHOP		$356
CODY	WY	
ORGANIZATIONAL MAINT SHOP		$258
FAIRBANKS	AK	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$1,000
WASILLA	AK	
ORGANIZATIONAL MAINT SHOP		$1,200
FORT HARRISON (HELENA)	MT	
TRNG SITE, BKS, BN HQ, MESS HALL		$3,107
LEESBURG (FT JACKSON)	SC	
UNIT TRNG EQUIP SITE, ADDITION		$5,415
LAS VEGAS	NV	
COMBINED SUPPORT MAINT SHOP		$1,780
LAS VEGAS	NV	
ORGANIZATIONAL MAINT SHOP		$1,288
CAMP GRUBER	OK	
TRNG SITE, RIVER LOADING DOCK		$244
FORT INDIANTOWN GAP	PA	
COMBINED SUPPORT MAINT SHOP		$2,057

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION / PROJECT	STATE	ESTIMATED COST
COLUMBIA	SC	
COMBINED SUPPORT MAINT SHOP		$6,521
FAIRBANKS	AK	
ARMORY, TRNG/STORAGE ADD/ALT		$2,200
NORTHPORT	FL	
ARMORY, TRAINING AND STORAGE		$1,161
NEW ORLEANS	LA	
ARMORY, STARC ANNEX		$1,879
KLEIVER	OR	
ARMORY, TRNG/STORAGE ADD/ALT		$1,961
SUSSEX	WI	
ARMORY, TRAINING AND STORAGE		$1,424
WHEELING	WV	
ARMORY, TRAINING AND STORAGE		$1,506
CAMP GUERNSEY	WY	
TRNG SITE, AIRFIELD IMPV PH I		$2,947
ASHLAND CITY	TN	
ARMORY, TRAINING AND STORAGE		$995
CAMP DODGE	IA	
ARMORY, TRAINING AND STORAGE		$6,900
UNION SPRINGS	AL	
ARMORY, TRAINING AND STORAGE		$709
EAST LYME	CT	
TRNG SITE, LEADER REACT COURSE		$275
PAHALA	HI	
ARMORY, TRAINING AND STORAGE		$614
LINCOLN	NE	
AVIATION SUPPORT FACILITY, ADD		$200
CLARK COUNTY	NV	
ARMORY, TRAINING AND STORAGE		$5,100
ORANGEBURG	NY	
ARMORY, TRNG/STORAGE ADD/ALT		$1,503
BETHEL/SULLIVAN CTY	NY	
ARMORY, TRAINING AND STORAGE		$2,587
MEDINA	OH	
ARMORY, TRAINING AND STORAGE		$1,359
NORMAN	OK	
ORGANIZATIONAL MAINT SHOP(PURCHASE)		$345
SMYRNA	TN	
ARMORY, TRAINING AND STORAGE		$2,900
ENUMCLAW	WA	
ARMORY, TRAINING AND STORAGE		$1,378
UNALAKLEET	AK	
ARMORY SCOUT		$275
CAMP CARROLL	AK	
TRNG SITE, WAREHOUSE		$250
SELECTED SITE	AK	
ARMORY SCOUT		$275

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION / PROJECT	STATE	ESTIMATED COST
CAMP CARROLL	AK	
TRNG SITE, CLASSROOM		$320
SELMA	AL	
ORGANIZATIONAL MAINT SHOP		$387
WEDOWEE	AL	
ARMORY, TRAINING AND STORAGE		$709
LAFAYETTE	AL	
ARMORY, TRAINING AND STORAGE		$709
CAMP ROBINSON	AR	
TRNG SITE, UTILITIES		$1,200
CAMP ROBINSON	AR	
ARMORY, TRAINING AND STORAGE		$1,350
HARRISON	AR	
ORGANIZATIONAL MAINT SHOP		$300
CAMP ROBINSON	AR	
PROF EDUCATION CENTR ADD BUILDING		$150
CAMP ROBINSON	AR	
ORGANIZATIONAL MAINT SHOP		$321
WARREN	AR	
ORGANIZATIONAL MAINT SHOP		$300
FLORENCE M R	AZ	
RANGE, KNOWN DISTANCE UPGRADE		$200
PAPAGO M R (PHOENIX)	AZ	
AVIATION C-12 AIRCRAFT HANGER		$300
PAPAGO M R (PHOENIX)	AZ	
RANGE, KNOWN DISTANCE UPGRADE		$399
FLORENCE MIL RESERVATION	AZ	
AMMUNITION STORAGE, PH II		$400
PAPAGO M.R.(PHOEBIX)AASF	AZ	
AVIATION, FUEL TANK FARM		$200
CAMP ROBERTS	CA	
RANGE 40MM/MG QUALIFICATION		$300
SAN YSIDRO (SAN DIEGO)	CA	
AVIATION SUPPORT FACILITY		$5,000
SAN YSIDRO (SAN DIEGO)	CA	
ARMORY, TRAINING AND STORAGE		$6,665
CAMP GEORGE WEST(PUEBLO)	CO	
RANGE, CREW SERVED WEAPONS		$160
FORT CARSON	CO	
ARMORY, TRAINING AND STORAGE		$2,000
CAMP GEORGE WEST(PUEBLO)	CO	
RANGE, RIFLE		$160
CAMP GEORGE WEST(GOLDEN)	CO	
TRNG SITE, MEDICAL UNIT TRNG FAC		$350
DENVER	CO	
ARMORY, TRNG/STORAGE (STARC)		$4,000
CAMP GEORGE WEST	CO	
RANGE, RIFLE, BAFFLED		$305

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION/ PROJECT TITLE	STATE	ESTIMATED COST
FORT CARSON	CO	
MOBILIZATION AND TRNG SITE, ADDITIO		$350
HARTFORD	CT	
ARMORY, STARC ALT		$500
EAST LYME	CT	
TRNG SITE, ADMIN BLDG ADD/ALT		$210
ANACOSTIA	DC	
US PROPERTY/FISCAL OFFICE, ADD		$478
FORT MEADE, MARYLAND	DC	
ACADEMY, D.C. MILITARY		$293
NEW CASTLE	DE	
AVIATION SUPPORT FACILITY, ADD		$1,210
JACKSONVILLE	FL	
ORGANIZATIONAL MAINT SHOP		$175
CAMP BLANDING	FL	
TRNG SITE, WASH PLATFORMS (35)		$250
ST AUGUSTINE	FL	
AVIATION C-12 AIRCRAFT HANGER		$195
CAMP BLANDING	FL	
TRNG SITE, WINTERIZE BARRACKS/LAT		$160
JACKSONVILLE-CEDAR HILL	FL	
ARMORY, TRNG/STORAGE ADD/ALT		$807
FORT JUAN MUNA	GU	
ORGANIZATIONAL MAINT SHOP		$978
KONA	HI	
ARMORY POV/MIL PARKING & FENCE		$150
KEAUKAHA MR (HILO)	HI	
RANGE, 25M/10M MACHINE GUN		$112
KEKAHA (KAUAI)	HI	
RANGE. 25-METER KD/200 YD KD		$657
CAMP DODGE (JOHNSTON)	IA	
TRNG SITE, DINING FACILITY		$318
CAMP DODGE (JOHNSTON)	IA	
TRNG SITE, BOQ FIELD GRADE OFFICE		$273
OSKALOOSA	IA	
ARMORY, TRAINING AND STORAGE		$1,091
GOWEN FIELD	ID	
AVIATION SUPPORT FACILITY, ADD		$2,877
GOWEN FIELD	ID	
ARMORY, TRNG/STORAGE ADD/ALT		$371
GOWEN FIELD	ID	
COMBINED SUPPORT MAINT SHOP, ADD		$750
GOWEN FIELD	ID	
ARMORY, TRAINING AND STORAGE		$8,635
GOWEN FIELD (BOISE)	ID	
RANGE, MILES/OPERATION & WAREHOUS		$795

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION / PROJECT	STATE	ESTIMATED COST
GOWEN FIELD (BOISE)	ID	
TRNG SITE DRAINAGE STRUCTURE 60"		$360
MARSEILLES	IL	
TRNG SITE, HEADQUARTERS		$175
NORTH RIVERSIDE	IL	
ORGANIZATIONAL MAINT SHOP		$160
PEORIA	IL	
AVIATION SUPPORT FACILITY REHAB		$165
MARSEILLES	IL	
TRNG SITE, ROAD INCREMENT 2		$272
GREENVILLE	KY	
UNIT TRNG EQUIP SITE		$1,609
LEXINGTON	KY	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$271
FORT KNOX	KY	
UNIT TRNG EQUIP SITE		$2,521
PADUCAH	KY	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$224
CAMP BEAUREGARD	LA	
RANGE, M16 ZERO & NIGHT FIRE		$225
CAMP BEAUREGARD	LA	
TRNG SITE, RANGE SUPPORT FAC PH I		$250
CAMP CURTIS GUILD	MA	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$250
CAMP EDWARDS	MA	
TRNG SITE, FUEL DISP FACIL		$333
CAMP EDWARDS	MA	
RANGE, M16/AUTOMATED RECORD FIRE		$875
FORT DEVENS	MA	
LOGISTIC CENTER DLOG & CLASS IX		$1,000
AUGUSTA	ME	
ARMORY, TRNG/STORAGE ADD/ALT		$1,853
CARIBOU	ME	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$295
BENTON HARBOR/ST JOESPH	MI	
MVSB, MOTOR VEHICLE STORAGE BLDG		$330
CAMP GRAYLING	MI	
TRNG SITE, WINTERIZE CONTMT PH I		$350
FORT CUSTER	MI	
TRNG SITE, BN MOTOR POOL/SHELTER		$200
OWOSSO	MI	
MVSB, MOTOR VEHICLE STORAGE BLDG		$250
FORT CUSTER	MI	
RANGE, COMBAT PISTOL		$225
MENOMINEE	MI	
MVSB, MOTOR VEHICLE STORAGE BLDG		$300
FORT CUSTER	MI	
RANGE, VARIOUS UPGRADES		$310

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION / PROJECT	STATE	ESTIMATED COST
BENTON HARBOR	MI	
ARMORY, TRAINING AND STORAGE		$1,206
CAMP RIPLEY	MN	
TRNG SITE, BARRACKS, DINING FAC		$2,895
NEW BRIGHTON	MN	
ARMORY, TRAINING AND STORAGE		$3,602
CAMP RIPLEY	MN	
TRNG SITE, INF PLT BATTLE COURSE		$260
CAMP RIPLEY	MN	
TRNG SITE, BOQ / BEQ		$352
CAMP RIPLEY	MN	
ORGANIZATIONAL MAINT SHOP		$1,480
FORT CROWDER (NEOSHO)	MO	
TRNG SITE, BOQ		$321
FORT CROWDER	MO	
TRNG SITE, BARRACKS (3)		$2,835
CAMP CLARK	MO	
TRNG SITE, FEMALE QUARTERS		$214
FORT CROWDER (NEOSHO)	MO	
TRNG SITE, BN HQ & CLASSROOM		$357
PHILADELPHIA	MS	
ORGANIZATIONAL MAINT SHOP, ADD		$400
CAMP SHELBY	MS	
TRNG SITE, BULK FUEL ADD/ALT		$350
AMORY	MS	
ARMORY, TRAINING AND STORAGE, ADDIT		$310
IUKA	MS	
ARMORY, TRNG/STORAGE ADD/ALT		$710
COLUMBUS	MS	
ARMORY, TRNG/STORAGE ADDITION		$250
LOUISVILLE	MS	
ORGANIZATIONAL MAINT SHOP, ADD		$600
WACO	MT	
RANGE, SMALL ARMS		$320
MISSOULA	MT	
ARMORY, TRNG/STORAGE ADD/ALT		$320
FORT HARRISON (HELENA)	MT	
LOGISTIC CENTER DAS 3		$450
FAYETTEVILLE	NC	
ORGANIZATIONAL MAINT SHOP		$327
CAMP GRAFTON	ND	
TRNG SITE, HEATING PLANT		$1,000
GRAND FORKS	ND	
ORGANIZATIONAL MAINT SHOP		$578
FARGO	ND	
MVSB, MOTOR VEHICLE STORAGE BLDG		$703
DICKINSON	ND	
MVSB, MOTOR VEHICLE STORAGE BLDG		$290

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION / PROJECT	STATE	ESTIMATED COST
WILLISTON	ND	
MVSB, MOTOR VEHICLE STORAGE BLDG		$290
BISMARCK	ND	
AVIATION SUPPORT FACILITY, HANGAR		$660
JFK MIL ED CTR (WAHOO)	NE	
TRNG SITE, FACILITY REHAB		$3,000
LINCOLN	NE	
US PROPERTY/FISCAL OFFICE-WAREHOUSE		$3,353
JFK MIL ED CTR (WAHOO)	NE	
TRNG SITE, FACILITY ACQ		$3,000
CAMP ASHLAND	NE	
TRNG SITE, HQ/OPR SCHOOL REHAB		$200
HILLSBORO	NH	
ARMORY, TRNG/STORAGE ADDITION		$180
HILLSBORO	NH	
ORGANIZATIONAL MAINT SHOP		$339
CLAREMONT	NH	
ARMORY, TRNG/STORAGE ADDITION		$180
CONCORD	NH	
US PROPERTY/FISCAL OFFICE, ADD		$176
BERLIN	NH	
ARMORY, TRNG/STORAGE ADDITION		$270
NEWARK	NJ	
ARMORY, TRNG/STORAGE ADD/ALT		$1,417
DOVER	NJ	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$420
NEWARK	NJ	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$239
RIVERDALE	NJ	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$239
SANTE FE	NM	
AVIATION SUPPORT FACILITY, ADD		$200
WALKER (ROSWELL)	NM	
RANGE, RIFLE		$183
CLARK COUNTY	NV	
US PROPERTY/FISCAL OFFICE-WAREHOUSE		$95
FORT DRUM	NY	
UNIT TRNG EQUIP SITE, ADDITION		$250
GUILDERLAND	NY	
TRNG SITE, CONTANMENT FAC, PHASE I		$350
AUBURN	NY	
ORGANIZATIONAL MAINT SHOP, ADD		$270
CAMP SMITH	NY	
RANGE 50 METER NIGHT FIRE		$390
CAMP SMITH	NY	
TRNG SITE, UTILITY/ROAD UPGRADES		$320
GOSHEN	NY	
ORGANIZATIONAL MAINT SHOP		$640

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION / PROJECT	STATE	ESTIMATED COST
CAMP SMITH	NY	
TRNG SITE VEHICLE GAS CHAMBER		$200
MEDINA	OH	
LOGISTIC CENTER DAS 3		$300
RAVENNA	OH	
TRNG SITE, VEHICLE WASH FACILITY		$250
COLUMBUS	OH	
ACADEMY, STATE MILITARY		$2,667
PIQUA	OH	
ARMORY, TRNG/STORAGE ADD/ALT		$175
COLUMBUS (RICKENBACKER)	OH	
RANGE, COMBAT PISTOL		$368
LONDON	OH	
MVSB, MOTOR VEHICLE STORAGE BLDG		$300
WILLOUGHBY	OH	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$390
CAMP PERRY	OH	
RANGE, M-16 AUTOMATED RECORD FIRE		$392
OKLAHOMA CITY	OK	
ARMORY, TRNG/STORAGE ADD/ALT		$225
CAMP GRUBER	OK	
TRNG SITE, WAREHOUSE # 2		$320
CAMP GRUBER	OK	
TRNG SITE, FIRE STATION		$300
CAMP GRUBER	OK	
RANGE MODIFIED RECORD FIRE		$330
CAMP GRUBER	OK	
TRNG SITE, BDE HQ BUILDING		$192
FORT SILL	OK	
ORGANIZATIONAL MAINT SHOP		$700
SALLISAW	OK	
ARMORY, TRAINING AND STORAGE		$626
SAND SPRINGS	OK	
ORGANIZATIONAL MAINT SHOP		$329
OWASSO	OK	
ARMORY, TRAINING AND STORAGE		$1,800
PORTLAND AIR BASE	OR	
ARMORY, TRNG/STORAGE ADD/ALT		$300
CAMP RILEA	OR	
RANGE, AUTOMATED RECORD FIRE (ARF)		$913
PORTLAND-JACKSON	OR	
ARMORY PARKING POV & MILITARY		$372
CAMP RILEA (WARRENTON)	OR	
TRNG SITE, BOQ FIELD GRADE OFFICE		$380
EVERETT	PA	
ARMORY, TRNG/STORAGE ADD/ALT		$1,285
CAMP SANTIAGO	PR	
TRNG SITE, BOQ		$800

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION / PROJECT	STATE	ESTIMATED COST
CEIBA	PR	
ARMORY MAINTENANCE BUILDING		$225
VEGA BAJA	PR	
COMBINED SUPPORT MAINT SHOP		$1,000
FORT ALLEN (JUANA DIAZ)	PR	
ORGANIZATIONAL MAINT SHOP		$350
N. KINGSTOWN	RI	
ARMORY, TRNG/STORAGE ADD/ALT		$2,000
N. KINGSTOWN	RI	
AVIATION SUPPORT FACILITY, ADD		$1,050
COLUMBIA	SC	
ARMORY, TRAINING AND STORAGE		$2,400
EASTOVER	SC	
ARMORY, TRNG/STORAGE ADD/ALT		$300
FORT JACKSON (LEESBURG)	SC	
TRNG SITE, DINING FACILITY PH I		$190
FORT JACKSON (LEESBURG)	SC	
TRNG SITE, BARRACKS PH II		$190
FORT JACKSON (LEESBURG)	SC	
TRNG SITE, BARRACKS PH I		$190
CLARK HILL	SC	
TRNG SITE, BARRACKS PH I		$190
FORT JACKSON (LEESBURG)	SC	
TRNG SITE, MEDICAL UNIT TRNG FAC		$195
CLARK HILL	SC	
TRNG SITE, BEQ/BOQ		$180
FORT JACKSON (LEESBURG)	SC	
TRNG SITE, GYM		$200
HURON	SD	
MVSB, MOTOR VEHICLE STORAGE BLDG		$213
CAMP RAPID (RAPID CITY)	SD	
TRNG SITE, MEDICAL UNIT TRNG FAC		$350
CAMP RAPID	SD	
TRNG SITE, BARRACKS/DINING/ADMIN		$1,500
CAMP ROSENBAUM	SD	
LAND ACQUISTION		$1,200
BROOKINGS	SD	
MVSB, MOTOR VEHICLE STORAGE BLDG		$193
CAMP RAPID	SD	
COMBINED SUPPORT MAINT SHOP		$1,000
JOHN SEVIER RANGE	TN	
RANGE, COMBAT PISTOL		$175
MONTEAGLE/TRACY CITY	TN	
ARMORY, TRAINING AND STORAGE		$500
TULLAHOMA	TN	
RANGE, SCALED TANK		$175
CAMP BOWIE (BROWNWOOD)	TX	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$366

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION / PROJECT	STATE	ESTIMATED COST
ABILENE	TX	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$390
CAMP BARKLEY (ABILENE)	TX	
TRNG SITE, BARRACKS/DINING/ADMIN		$320
CAMP BARKLEY (ABLILENE)	TX	
RANGE, ENGINEER DEMOLITION AREA		$310
WEST JORDON	UT	
ARMORY, TRNG/STORAGE ADD/ALT		$1,442
WEST JORDAN (SLC)	UT	
AVIATION SUPPORT FACILITY, ADD		$1,337
RICHFIELD	UT	
ORGANIZATIONAL MAINT SHOP		$324
WEST JORDON	UT	
ORGANIZATIONAL MAINT SHOP		$449
FORT PICKETT	VA	
MOBILIZATION AND TRNG SITE, ADDITIO		$371
SANDSTON	VA	
US PROPERTY/FISCAL OFFICE		$1,483
FORT BELVOIR	VA	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$250
VARIOUS (6)	VA	
ARMORY RECRUITER OFFICE		$315
ALEXANDER HAMILTION AIRP	VI	
AVIATION OPERATIONS FACILITY REHAB		$200
ST THOMAS (NAZARETH)	VI	
ORGANIZATIONAL MAINT SHOP		$400
ST. CROIX	VI	
AVIATION OPERATIONS FACILITY		$2,000
S. BURLINGTON	VT	
AVIATION SUPPORT FACILITY, REHAB		$1,600
ETHAN ALLEN AFB(COLCHEST	VT	
RANGE BAFFLED M-16 25 METER		$120
CAMP JOHNSON (COLCHESTOR	VT	
MVSB, MOTOR VEHICLE STORAGE BLDG		$220
CAMP MURRAY (TACOMA)	WA	
TRNG SITE, BN HQ/SUP/ADMIN		$250
CAMP MURRAY (TACOMA)	WA	
TRNG SITE, CLASSROOM (PLDC)		$312
CAMP MURRAY (TACOMA)	WA	
TRNG SITE, ACADEMY CLASSROOM		$312
CAMP MURRAY	WA	
TRNG SITE, DINING FACILITY		$743
ETHAN ALLEN AFB(COLCHEST	VT	
RANGE BAFFLED M-16 25 METER		$120
CAMP JOHNSON (COLCHESTOR	VT	
MVSB, MOTOR VEHICLE STORAGE BLDG		$220
CAMP MURRAY (TACOMA)	WA	
TRNG SITE, BN HQ/SUP/ADMIN		$250

COMMITTEE INSERT ARNG PROJECT LIST

LOCATION / PROJECT	STATE	ESTIMATED COST
CAMP MURRAY (TACOMA)	WA	
TRNG SITE, CLASSROOM (PLDC)		$312
CAMP MURRAY (TACOMA)	WA	
TRNG SITE, ACADEMY CLASSROOM		$312
CAMP MURRAY	WA	
TRNG SITE, DINING FACILITY		$743
MADISON	WI	
ORGANIZATIONAL MAINT SHOP, ADD/ALT		$373
CP DOUGLAS	WI	
COMBINED SUPPORT MAINT SHOP, ALT		$315
MARSHFIELD	WI	
MVSB, MOTOR VEHICLE STORAGE BLDG		$320
CHARLESTON	WV	
ARMORY, TRAINING AND STORAGE		$1,125
BUCKHANNON	WV	
US PROPERTY/FISCAL OFFICE		$1,500
CAMP GUERNSEY	WY	
TRNG SITE JP-4 FUEL STORAGE ALT		$190
CAMP GUERNSEY	WY	
TRNG SITE, LAND ACQ PH I		$4,200
CAMP GUERNSEY	WY	
TRNG SITE, RAILROAD SPUR		$380

RESERVE MILCON PROJECT LISTING

A list of U.S. Army Reserve projects, in priority sequence, are shown below:

LOCATION		PROJECT TITLE	($000)
HELENA (M)	MO	NEW WAREHOUSE	$265
PEDRICKTOWN	NJ	NEW USARC/OMS	$6,079
OLATHE	KS	ALT/EXP USARC/OMS	$1,951
KINGSBURY (LTA)	IN	LOCAL TRAINING AREA	$3,941
TOPEKA	KS	ALT/EXP USARC/OMS	$6,524
MUSKOGEE	OK	ALT/EXP USARC	$2,196
BELOIT	WI	EXP USARC/OMS	$2,227
ST MARYS	PA	ALT/EXP USARC	$1,488
FREDERICK	MD	NEW USARC/OMS	$4,793
CORPUS CHRISTI (MCARDLE)	TX	ALT/EXP USARC/OMS	$1,943
ENID	OK	EXP USARC	$1,560
FT LEONARD WOOD (ECS)	MI	NEW ECS	$3,691
JASPER	AL	ALT/EXP USARC/OMS	$2,143
EDISON	NJ	EXP USARC/OMS/AMSA	$10,757
WICHITA	KS	ALT/EXP USARC	$7,448
BRIDGTON	MA	ALT/EXP USARC/OMA	$2,105
NEW CUMBERLAND	MD	NEW USARC/OMS	$3,892
FT JACKSON(BOYDEN ARBOR)	SC	ALT/EXP USARC/OMS	$5,499
LEXINGTON (AVON)	KY	NEW USARC	$3,762
FT LEWIS	WA	NEW USARC/OMS/ECS	$11,574
CAMDEN	NJ	USARC	$3,490
FT CARSON	CO	ALT/EXP ECS	$1,400
TRENTON	NJ	ALT/EXP USARC	$3,575
FT JACKSON (JACKSON)	SC	NEW USARC/OMS/DS/GS	$9,913
NORTH CHARLESTON	SC	ALT/EXP USARC/OMS/AMS	$6,370
BOSSIER CITY	LA	ALT/EXP USARC/OMS	$5,447
FT ORD	CA	EXP USARC	$3,286
COLUMBUS	OH	NEW USARC/OMS/AMSA/DS	$14,548
NORMAN	OK	ALT/EXP USARC	$2,698
JOLIET	IL	NEW USARC/OMS	$8,153
FT EUSTIS	VA	NEW AFA	$10,349
GENEVA	PA	NEW ECS/AMSA/TNG	$6,151
FT EUSTIS	VA	NEW USARC/OMS	$8,021
ROCHESTER	NH	EXP USARC/OMS	$2,640
WEST MEMPHIS	AK	NEW USARC/OMS	$2,525
OSWEGO	NY	EXP USARC	$2,425
FT HUACHUCA	AR	LOCAL TNG AREA	$1,992
PUERTO NUEVO	PR	EXP USARC/OMS	$9,970
FOREST PART	GA	ALT/EXP USARC/OMS	$15,690

RESERVE MILCON PROJECT LISTING

LOCATION		PROJECT TITLE	CWE ($000)
JACKSONVILLE	FL	ALT/EXP USARC/OMS	$3,066
BATON ROUGE (SAURAGE)	LA	NEW USARC	$2,895
BATON ROUGE (ROBERTS)	LA	EXP/ALT USARC W/OMS/A	$3,039
HICKORY	NC	NEW USARC	$1,300
MARION	OH	ALT/EXP USARC/OMS	$1,502
SANTA FE	NM	ALT/EXP USARC	$2,031
JOHNSTOWN	PA	ALT/ADD USARC/OMS	$2,684
ALBEMARLE	NC	NEW USARC/OMS	$2,130
FT SHAFTER	HI	NEW USARC	$18,650
FT SHAFTER	HI	OMS/DS/GS SHOP	$6.447
PSF	CA	ALT/EXP USARC/NEW OMS	$5,400
LOS ALAMITOS	CA	ALT/EXP USARC/MEP	$14,069
HAMILTON AAF	CA	CTF SPT FACILITY	$1,900
VANCOUVER BARRACKS	WA	ALT/EXP USARC	$10,900
MOREHEAD CITY	NC	NEW USARC/OMS	$4,950
FT RICHARDSON	AK	ALT/EXP USARC/OMS/AMS	$5,960
FT BRAGG (CENTER)	NC	NEW USARC	$9,849
HUNTINGTON	IN	ALT/EXP USARC/OMS/AMS	$3,650
REDDING	CA	NEW USARC	$1,669
LUBBOCK	TX	PURCHASE USARC	$1,300
BUFFALO	MN	NEW USARC/OMS	$1,319
LINCOLN	NB	LAND EXC/NEW USARC	$4,514
GRAND JUNCTION	CO	NEW USARC/OMS	$1,941
MINOT	ND	NEW AFRC	$2,000
BLYTHVILLE	AK	ALT/EXP USARC	$1,665
KIRKSVILLE	MO	NEW USARC	$1,500
FT LAWTON	WA	NEW USARC/OMS	$6,504
ABBEVILLE	AL	NEW USARC/OMS	$1,645
EAU CLAIRE	WI	NEW USARC/OMS/AMSA	$3,315
PORTLAND	MA	ALT/EXP USARC	$400
FT MEADE	MD	NEW USARC/OMS	$16,200
BEAVER FALLS	PA	ALT/EXP/AFRC	$600
MENASHA	WI	USARC/OMS	$1,782
PAYNESVILLE	MN	ALT/EXP USARC	$967
JACKSON	TN	NEW USARC/OMS	$3,500
BLOOMSBURG	PA	NEW USARC/OMS	$1,600
GLEN FALLS	NY	NEW USARC/OMS	$2,432
SIOUX CITY	IO	ALT/EXP USARC/OMS/AMS	$2,406
FT BELVOIR	VA	ALT/EXP USARC/OMS	$9,000
AURORA	IL	NEW USARC/OMS	$1,631
WORTHINGTON	MN	NEW USARC	$1,800

RESERVE MILCON PROJECT LISTING

LOCATION		PROJECT TITLE	CWE ($000)
FT PICKETT	VA	ADD/ALT USARC	$3,000
KNOXVILLE	TN	NEW USARC/OMS	$3,500
HANSCOM	MA	NEW USARC	$7,000
BRIDGEPORT	CT	NEW USARC/MARINE AMSA	$2,100
RICHMOND	VA	ADD/ALT USARC	$4,000
KISSIMMEE	FL	ALT/EXP USARC/OMS	$1,000
ST PETERSBURG	FL	NEW USARC/OMS	$2,500
FT TOTTEN	NY	NEW USARC/OMS	$10,729
OAKDALE	PA	NEW USARC/OMS/AMSA	$9,449
WATERLOO	IO	NEW USARC/OMS/AMSA	$3,804
FT BEN HARRISON	IN	ALT/EXP/USARC/OMS	$2,705
CONROE	TX	PURCHASE USARC	$1,620
FLORENCE	SC	NEW USARC/OMS	$1,825
BROWNSVILLE	PA	ALT/ADD USARC/OMS	$1,220
SYRACUSE	NY	ALT/EXP USARC/AMSA/AF	$1,200
BECKLEY	WV	NEW USARC/OMS	$1,638
CONCORD	NH	NEW USARC/OMS	$1,700
FRESNO	CA	NEW USARC/OMS	$2,000
LACONIA	NH	NEW USARC/OMS	$1,600
MORGANTOWN	WV	NEW USARC/OMS	$1,371
WAYNESBORO	MS	NEW USARC/OMS	$1,700
ELKINS	WV	NEW USARC/OMS	$1,415
RAINELLE	WV	NEW USARC/OMS	$2,190
RALEIGH-DURHAM	NC	NEW USARC/OMS	$8,000
KINGWOOD	WV	NEW USARC/OMS	$1,638
SAIPAN	IL	NEW USARC	$3,500
CHICAGO (Argonne)	IL	NEW USARC/OMS/DS/GS	$8,426
FT WADSWORTH	NY	ADD/ALT USARC/OMS	$5,000
TULSA (BROKEN AROW)	OK	JOINT EXP AFRC (NAVY)	$3,000
TULSA (SAND SPRING)	OK	JOINT AFRC (OK NG)/OM	$4,236
CAMP RIPLEY	OH	ECS/AMSA/WAREHOUSE	$3,500
DUBLIN	VA	LOCAL TRAINING AREA	$1,500
PARKS (RFTA)	CA	NEW USARC/OMS/ECS	$10,240
FT MCCOY(ARRTC PHASE II)	WI	NEW TRAINING FACILITY	$11,661
HOUSTON	TX	ALT/EXP USARC	$1,788
FONTANA	CA	NEW USARC/AVN FACILIT	$5,000
CAMP GRAYLING	MI	ECS/AMSA/WAREHOUSE	$3,500
NEW ORLEANS	LA	ALT/EXP/USARC	$4,500
GREEN BAY	WI	NEW USARC/OMS	$3,364
RACINE	WI	NEW USARC/OMS	$3,385
AUSTIN	TX	ALT/EXP USARC	$6,500
PARKS RFTA	CA	LOCAL TRAINING AREA	$1,400
ST. CLOUD	MN	NEW USARC/OMS/AMSA	$1,730
PELL CITY	AL	NEW AFA	$5,056
FT OMAHA	NB	ALT/EXP/USARC/AMSA	$3,000
SCOTT AFB	IL	ALT/EXP/RMTC	$3,899
HUNTINGTON	PA	NEW USARC/OMS	$1,600
MILWAUKEE	WI	NEW USARC	$5,994

(The information follows:)

Priority list of backlog projects for Naval and Marine Corps Reserve. Priorities and cost estimates are reviewed annually and are subject to change.

Location	State	Project	Cost ($000)
NAR San Diego	CA	Aircraft Parking Apron	3,560
NAR Memphis	TN	Marine Corps Logis Supp Fac	1,800
NMCRC Greenbay	WI	Reserve Center Addition	600
NAS Glenview	IL	Runway and Apron Repairs/Ext	3,750
NRC Kearny	NJ	Res Center Air Conditioning	800
ANGB Stewart (MC)	NY	Corrosion Control Hanger	5,300
NAS New Orleans	LA	Training Building Addition	600
MCRC Marietta	GA	Reserve Center Acquisition	4,300
MCRC Montgomery	AL	Reserve Center Acquisition	630
MCRC Fort Worth	TX	Reserve Center Acquisition	1,400
NMCRC Chattanooga	TN	Reserve Training Building	3,900
NAS Glenview	IL	Relocate Transmitter Building	500
NMCRC Houston	TX	Reserve Center Addition	3,300
NAS S. Weymouth	MA	BEQ	4,600
NRC Great Lakes	IL	Reserve Training Building	6,000
MCRC Kansas City	KS	Reserve Center Acquisition	4,500
NRC Pasco (Richland)	WA	Reserve Center Acquisition	1,400
NAS Dallas	TX	Land Acquisition	600
NMCRC Manchester	NH	Reserve Center	5,325
NMCRC Savannah	GA	Reserve Center	4,250
NAS Glenview	IL	Aircraft Intermediate Maint	9,600
MCRC San Juan	PR	Reserve Center	2,000
MCRC Atlanta	GA	Reserve Center Acquisition	4,250
NAS Atlanta	GA	Ground Support Equip Shop	1,850
NMCRC Albany	NY	Reserve Center Addition	575
NAS Dallas	TX	Marine Corps Warehouse	1,300
NRC Philadelphia	PA	Reserve Center Rehab	2,500
NRC Muskegon	WA	Reserve Center Acquisition	450
NAS Willow Grove	PA	Marine Corps Admin/Veh Maint	3,800
NRC Poughkeepsie	NY	Reserve Center W/Land	2,400
NMCRC Nashville	TN	Reserve Center	4,200
NMCRC San Jose	CA	Reserve Center w/Land	10,000
NAS New Orleans	LA	Ordnance Complex	1,000
MCRC Camp Edwards	MA	Reserve Center	2,500
MCRC Lafayette	LA	Reserve Center	2,000
NMCRC Tulsa	OK	Reserve Center Addition	2,600
NAS Dallas	TX	Aircraft Maint Hush House	6,000
NAS Glenview	IL	Perimeter Road	850
NRC Williamsport	PA	Reserve Center w/Land	3,400
NMCRC Knoxville	TN	Reserve Center Addition	875
MCRC Dam Neck	VA	Training Building	3,800
MCRC Dam Neck	VA	Radar & Comm OPS Site	510
AFRC Anacostia	DC	Reserve Center Addition	3,000
NRC Binghampton	NY	Reserve Center w/land	2,000
NMCRC Bakersfield	CA	Reserve Center	3,800

NRC Tampa	FL	Res Center Addition w/Land	5,200
NAS New Orleans	LA	Extension to Runway 14-32	3,900
NMCRC Bessememer	AL	Reserve Center Addition	1,600
NMCRC Salem	OR	Reserve Center w/Land	3,500
MCRC Camp Pendleton	CA	Reserve Center	2,500
NAS Glenview	IL	Taxiway Runway Upgrade 9-27	3,200
NRC Duluth	MN	Reserve Center Addition	2,450
NMCRC Portland	OR	MIUW Vehicle Maint Facility	700
NAS Glenview	IL	Marine Corps Vehicle Maint	3,800
NAS New Orleans	LA	Aircraft Arming Pad	880
NRC Medford	OR	Reserve Center Addition	1,600
NMCRC Pittsburg	PA	Reserve Center	5,300
NARC Miramar	CA	Aircraft Hanger Addition	4,400
NR Stockton	CA	Seabee Permanent Drill Site	2,000
NRC Memphis	TN	Reserve Center	4,150
MCRC Quantico	VA	Reserve Center	2,500
NMCRC San Francisco	CA	MIUW Vehcile Maint Facility	1,000
NAS Glenview	IL	Marine Corps Support Equip Fac	2,100
NAR Memphis	TN	C-9 Aircraft Hanger	7,600
NRC Plover	WI	Reserve Center Acquisition	1,050
NAS South Weymouth	MA	Perimeter Road	650
MCRC Fort Detrick	MD	Reserve Center	1,500
NRC Great Falls	MT	Reserve Center w/Land	1,500
NRC Fargo	ND	Reserve Center Addition	2,250
MCRC Todele	UT	Reserve Center	1,500
NAR Whidbey Island	WA	Taxiway Upgrade	950
MCAF Camp Pendleton	CA	Training Building	550
NAS Dallas	TX	Public Works Facility	2,400
NR Seattle	WA	Seabee Permanent Drill Site	2,000
NAS South Weymouth	MA	Storm Sewers	4,350
AFRC Cedar Rapids	IA	Reserve Center Addition	1,000
NAS South Weymouth	MA	Aircraft Parking Apron	3,550
NAS South Weymouth	MA	BOQ Alternations	850
NAS Dallas	TX	BOQ	4,330
NAS Glenview	IL	BOQ	4,400
NAS South Weymouth	MA	OPCON Center	800

The following projects represent the Air National Guard's top priority requirements. These are in addition to the projects submitted in the FY 1990 and 1991 Military Construction Programs.

LOCATION	PROJECT TITLE	P/A
Eielson AK	T-9 Sound Suppressor	700
Eielson AK	Alter Fuel Systems Maint Dock	1,000
Eielson AK	Aircraft Engine Shop	2,550
Eielson AK	Composite Squadron Ops	4,650
Kulis AK	Add to and Alter Squadron Ops	2,000
Kulis AK	Add to and Alter Jet Fuel Stor	1,800
Kulis AK	Alter Helicopter Maintenance Fac	760
Kulis AK	Base Supplies and Equipment Whse	4,300
Kulis AK	Survival Equipment Shop	780
Kulis AK	Add to and Alter Avionics/ECM Sh	750
Abston AL	Comm-Electronics Tng Fac	750
Birmingham AL	Fire Station	1,100
Martin AL	Vehicle Maintenance Shop	2,100
Sky Harbor AZ	Alter Ops and Training Fac	290
Tucson AZ	Add to and Alter Telecom Center	720
Williams AZ	Comm-Electronics Tng Fac	1,200
Williams AZ	Vehicle Maint/AGE Facility	1,400
Williams AZ	Mobility Storage Warehouse	400
Fresno CA	Alert Facility Complex	3,800
March CA	Add to Maintenance Hangar	2,400
Sepulveda CA	Comp Base Supply/BCE Facility	850
Buckley CO	Alter Avionics/ECM Shop	840
Buckley CO	Add to/Alter Engine Shop	500
Buckley CO	Upgrade Hangar	4,400
Buckley CO	Special Fuels Facility	250
Buckley CO	Weapons Release Shop	1,100
Bradley CT	Jet Fuel Storage	2,500
Gtr Wilmington DE	Comp Ops and Training Facility	2,990
Gtr Wilmington DE	Telecommunications Facility	760
Camp Blanding FL	Base Engineering Maintenance Fac	1,500
Jacksonville FL	Add to and Alter Vehicle Maint	610
Savannah GA	FTS-Fire Suppression System	1,600
Hickam HI	Vehicle Maint/AGE Facility	2,500
Des Moines IA	Add to and Alter Dining Hall/ Medical Training Facility	750
Des Moines IA	Upgrade Maintenance Hangar	1,900
Sioux City IA	Add to Avionics/ECM Shops	390
Boise ID	Add to Dining Hall	250
Capital IL	Aircraft Arresting System	500
Capital IL	Add to Avionics Shop	395

AIR NATIONAL GUARD (CONTINUED)

LOCATION	PROJECT TITLE	P/A
Greater Peoria IL	Comp Operational Training Fac	4,800
O'Hare IL	Comm Ops/Maint Pwr	250
Hulman IN	Alter Aircraft Shelter	390
McConnell KS	Composite Support Facility	3,960
McConnell KS	Add to Corrosion Control Fac	470
Otis MA	Repair/Replace Heating System	3,560
Otis MA	Sewage Treatment Plant	4,000
Worcester MA	Add to and Alter Operations Fac	800
Andrews MD	ANGSC Composite Support Facility	3,950
Andrews MD	Composite Trailer Maint	350
Bangor ME	Fuel Systems Maintenance Dock	3,900
Bangor ME	Aircraft Parking/Hydrang	10,200
Bangor ME	Jet Fuel System/Station	1,000
Bangor ME	Detached Alert Complex	3,250
Phelps-Collins MI	Aircraft Arresting System	650
Selfridge MI	Alter Alert Shelter Compl	1,000
Selfridge MI	Add to PMEL	375
Selfridge MI	Add to/Alter Survival Equip Sh	500
Selfridge MI	Control Tower	2,600
Duluth MN	POL Ops/Refueler Vehicle/Pk	300
Minn-St. Paul MN	Composite Support Facility	4,200
Minn-St. Paul MN	Dining Hall/Medical Training Fac	3,500
Jefferson MO	Alter Dining Hall	550
Jefferson MO	Alter Comm-Elect Training Compl	2,300
Lambert-St. Louis MO	Jet Fuel Storage Line	1,000
Key MS	Fire Station	1,000
Key MS	Small Arms Training Facility	1,000
Great Falls MT	Munitions Maint/Training/Stor	3,600
Great Falls MT	Construct Arm/Dearm Pads	1,000
Great Falls MT	Weapons Release Shop	600
Charlotte NC	Fireman Training Facility	600
Charlotte NC	Base Supplies/Equipment Whse	2,200
Lincoln NE	Add to Avionics/ECM Shop	700
Lincoln NE	Dining Hall	1,400
Atlantic City NJ	Fire Station	1,350
McGuire NJ	Upgrade/Extend AC Parking	5,400
McGuire NJ	Refueler Vehicle Parking	500
McGuire NJ	Alter Aircraft Maintenance Fac	390
Reno NV	Add to Base Engineering Maint Fac	350
Reno NV	Aircraft Arresting System	350
Hancock NY	Fire Station	1,200
Schenectady NY	Add to and Alter Support Equip Sh	350
Schenectady NY	Base Entry Complex	350
Suffolk NY	Jet Fuel Storage Complex	3,000
Rickenbacker OH	Add to/Alter Avionics/ECM/ Weapons Release Shop	700
Rickenbacker OH	Add to/Alter Munitions Maint Fac	1,100
Rickenbacker OH	Aircraft Engine Shop	1,400
Springfield OH	Add to and Alter Fire Station	460
Toledo OH	Dining Hall/Medical Training Fac	2,900

AIR NATIONAL GUARD (CONTINUED)

LOCATION	PROJECT TITLE	P/A
Tulsa OK	Communications Facility	1,600
Will Rogers OK	Vehicle Maintenance Complex	3,150
Will Rogers OK	Power Check Pad w/Noise Suppr	220
Kingsley OR	Base Supplies/Equipment Whse	2,500
Portland OR	Alter Gen Purpose AC Maint Fac	4,100
Portland OR	Jet Fuel Ops (Joint ANG/AFRES)	3,900
Harrisburg PA	Avionics/ECM Maint Shop/Stor	840
State College PA	Mobility Storage Warehouse	350
Willow Grove PA	Refueler Vehicle Shop	335
Borinquen PR	Add to and Alter Comp Spt Fac	1,100
Borinquen PR	Composite Vehicle Maint Fac	1,000
Puerto Rico	Alter FAA VORTAC	1,500
Puerto Rico	Munitions Storage Igloos	1,000
Coventry RI	Comm Maintenance Facility	2,100
Quonset RI	Base Engineering Maintenance Fac	1,900
Quonset RI	Mobility Storage Warehouse	300
Quonset RI	Add to/Alter Avionics Shop	600
McEntire SC	Avionics/ECM Maintenance Shop	350
Joe Foss SD	Comp Med Tng/Sec Police Fac	3,000
Joe Foss SD	Avionics Facility	1,200
Joe Foss SD	Engine Shop	1,200
Joe Foss SD	Fuel Cell Dock	800
Joe Foss SD	Alter Squadron Operations Fac	450
Alcoa TN	Add to/Alter Comm-Elec Tng Fac	1,200
McGhee-Tyson TN	PMEC Support Facilities	3,100
McGhee-Tyson TN	PMEC Physical Training Fac	600
McGhee-Tyson TN	Sanitary Sewer Main	390
Memphis TN	Fuel Systems Maintenance Dock	4,000
Memphis TN	Composite Apron/POL/Hydrant	11,000
Memphis TN	Alter Maintenance Shops	750
Memphis TN	Add to Aerial Port	1,000
Memphis TN	Comp Avionics/NDI Facility	1,250
Memphis TN	Add to/Alter Maintenance Hanger	4,900
Memphis TN	T-9 Sound Suppressor	450
Dallas TX	Add to/Alter Aerial Port Tng Fac	310
Dallas TX	Add to Base Engr Maint Fac	380
Kelly TX	Base Engineering Maint Fac	1,800
Kelly TX	Munitions Maintenance Fac	350
LaPorte TX	Mobility Storage Warehouse	340
Nederland TX	Vehicle Maintenance Shop	650
Salt Lake UT	Comp Dining/Medical Tng Fac	3,700
Camp Pendleton VA	Base Engineering Maintenance Fac	1,250
Burlington VT	Add to and Alter Maintenance Dock	400
Burlington VT	Fire Station/Gate	1,450
Fairchild WA	Fire Suppression System	800
Fairchild WA	Add to/Alter Squadron Ops Fac	930
Mitchell WI	Aircraft Maintenance Hangar	4,700
Cheyenne WY	Jet Fuel Storage Complex	2,400

FOR THE AIR FORCE RESERVE: The top 100 (plus) items for construction over the next five years follows. Projects are listed in order of priority (priorities subject to change).

BASE	PROJECT TITLE	COST ($000)
O'Hare ARFF, IL	Jet Fuel Stor Complex	11,800
Rickenbacker ANGB, OH	Alter Fuel Sys Maint Shops(w/ANG)	440
Bergstrom AFB, TX	ADAL Aircraft Maint Shops	2,450
AFR 61(Classified	Avionics Shop	2,150
AFR 61 Location)	ADAL Aircraft Maint Shops	500
Dobbins AFB, GA	Readiness Training 14AF HQ	2,900
Pope AFB, NC	Civil Engineering Training	710
Wright-Patt. AFB,OH	Upgr Hangar/Aircraft Maint Shops	3,706
Kelly AFB, TX	Composite Training	1,400
Greater Pitts IAP, PA	Medical Training	1,900
Hickam AFB, HI	Aerial Port Training	1,000
McConnell AFB, KA	Civil Engineering Training	940
Keesler AFB, MS	Medical Training	580
Selfridge ANGB, OH	Alter Fuel Cell/Corr Control	590
Youngstown MAP, OH	Shortfield Landing Zone	5,200
Willow Grove ARF, PA	Medical Training (w/ANG)	1,250
Niagara Falls IAP, NY	Munitions Storage (w/ANG)	100
Kelly AFB, TX	RED HORSE Veh Maint Shop	2,150
O'Hare ARFF, IL	Security Police Ops	980
Homestead AFB, FL	Aircraft Hangar Fire Prot	2,300
Davis-Monthan AFB, AZ	Civil Engineering Training	840
Selfridge ANGB, OH	Aerial Port Training	1,850
Offutt AFB, NE	Civil Engineering Training	730
Lowry AFB, CO	Civil Engineering Training	840
Eglin AFB AUX Fld 3, FL	Medical Training	1,600
AFR 61 (Classified	Munitions Stor Complex ADDTN	2,100
AFR 61 Location)	Pol Stor Replacement (w/AFSC)	750
Youngstown MAP, OH	Avionics Maint Shop	1,200
AFR 12 (Classified	Fire Station	2,770
AFR 51 Location)	Aircraft Parking Apron Exp	9,900
AFR 56 " "	Add/Alter Fuel Sys Maint Hangar	1,000
AFR 56 " "	Add/Alter Aircraft Hangars	11,900
AFR 56 " "	Add/Alter Aircraft Maint Shops	500
AFR 56 " "	Add/Alter Corr Control Dock	1,200
AFR 56 " "	Aircraft Parking Apron ADDTN	1,000
AFR 56 " "	Convert Fac to Aerial Port	400
AFR 56 " "	Aeromed Evacuation Sqdn	2,400
Portland IAP, OR	Jet Fuel Stor (w/ANG)	800
Dobbins AFB, GA	Base Civil Engineering Complex	3,400
Maxwell AFB, AL	Surv Equip/Life Support Shop	1,050
Richards Gebaur AFB, MO	Dining Hall	2,050
Niagara Falls IAP, NY	Aircraft Hangar Fire Prot	1,750
Peterson AFB, CO	Surv Equipment Shop	920
Andrews AFB, MD	Composite Training	1,400
O'Hare ARFF, IL	Aerospace Ground Equip Shop	1,350
Kelly AFB, TX	Aerial Port Training	2,000

BASE	PROJECT TITLE	COST ($000)
Greater Pitts IAP, PA	Firing Range	1,350
Kirtland AFB, NM	Civil Engineering	860
Richards Gebaur AFB, MO	Base Steam Plant	3,450
Homestead AFB, FL	Pararescue Ops	1,250
Andrews AFB, MD	Acft Parking Apron/Hyd Fuel Sys	31,000
AFR 10 (Classified	Avionics Shop	2,250
AFR 10 Location)	Hydrazine Service/Stor Fac	500
AFR 10 " "	Munitions Stor Fac (Aur/Als)	450
AFR 10 " "	Aircraft Arrest Sys	600
AFR 10 " "	Hush House Foundation	900
AFR 10 " "	Add/Alter Aircraft Maint Shops	800
AFR 10 " "	Squadron Ops	2,300
AFR 10 " "	Upgr Acft Fuel Sys Maint Hangar	750
AFR 12 " "	Add/Alter Dual Bay Maint Hangar	14,400
AFR 12 " "	Aircraft Hydrant Fueling Sys	9,500
AFR 12 " "	Composite Aircraft Maint Shops	4,700
AFR 12 " "	ADAL Aircraft Hangar (Fuel Cell)	1,600
AFR 12 " "	Add Aircraft Parking Apron	2,800
AFR 12 " "	Assault Strip	5,100
AFR 12 " "	Flight Simulator	3,500
AFR 12 " "	POL Sys Alterations	575
AFR 54 " "	Aircraft Parking Apron	2,100
AFR 54 " "	Dual Bay Aircraft Maint Hangar	21,800
AFR 54 " "	Alter Fuel Cell Maint Dock	1,100
AFR 54 " "	Aircraft Hydrant Fuel Sys	8,500
AFR 54 " "	Aircraft Fuel Stor	600
AFR 54 " "	Avionics Shop	1,900
AFR 54 " "	Add/Alter Sqdn Ops	1,000
AFR 54 " "	Add/Alter Acft Gen Purp Shops	1,800
AFR 54 " "	Add/Alter Org Maint Shops	350
AFR 54 " "	Add/Alter Supply Warehouse	700
AFR 54 " "	Add/Alter Surv Equip Shop	350
AFR 54 " "	Add/Alter Weapon Sys Maint Mgt	400
AFR 54 " "	Add/Alter Aircraft Engine Shop	550
AFR 54 " "	Aircraft Engine Test Stand Sup	1,000
AFR 54 " "	Utilities Sys Expansion (Water)	1,950
Youngstown MAP, OH	Widen Aircraft Parking Apron	1,200
Selfridge ANGB, OH	Medical Training (w/ANG)	1,200
Tinker AFB, OK	Medical Training (w/AFLC)	500
McChord AFB, Wa	Add/Alter Ops Training	1,550
O'Hare ARFF, IL	Water Stor/Pump House/Distr Sys	2,800
MacDill AFB, FL	Aeromed Comm Support Fac	575
Grissom AFB, IN	Fuel Sys Corr Control Hangar	1,800
Dobbins AFB, GA	Security Police Ops (w/ANG)	360
Westover AFB, MA	Jet Fuel Storage	1,250
Bergstrom AFB, TX	Aircraft Hangar Fire Protection	2,150
Minn/St Paul IAP, MN	Aircraft Hangar Fire Protection	1,400
Richards Gebaur AFB, MO	Aircraft Hangar Fire Protection	1,800
AFR 6 (Classified	Add/Alter Engine Shop	800
AFR 6 Location)	Add/Alter Avionics Shop	1,000

BASES			PROJECT TITLE	COST ($000)
AFR 6	"	"	Hydrazine Service/Storage	600
AFR 6	"	"	Hush House Foundation Support	1,100
AFR 6	"	"	Add Missile Maint Fac	1,100
AFR 6	"	"	Alter Acft Fuel Cell Maint Hangar	650
AFR 6	"	"	Munitions Stor Fac	480
AFR 6	"	"	Add/Alter Fac For Conversion	1,600

Mr. Bilbray. I would like to give this to the representative of the Air Force so they can look at it.

Thank you.

Mr. Rosamond. I might add, Congressman Bilbray, I am not sure how much detail we can provide along those lines.

Mr. Bilbray. We don't need a lot of detail, just a list and approximate cost of that facility and your priority list.

Thank you.

Mr. Rosamond. Sure.

Mrs. Schroeder. Thank you very much. I think we would all appreciate that. That is really what we are trying to get and I think the Congressman from Nevada points out that that is how it works in State legislatures and everywhere else.

We would like to see what that backlog is and how critical it is and what kind of choices we should be making. I think that that is very important.

Congressman Martin, do you have any further questions?

Mr. Martin. I had a couple here. Wait just a minute. Go to the other members.

Mrs. Schroeder. Anybody else have any further questions?

Mr. Ravenel. Madam Chairwoman, I think it would be very helpful in addition, if we could see what the requests were into DOD, as you initially touched on, so we could see what was not funded.

Mrs. Schroeder. I just think it is important and we really don't want to build suspicion and so forth, but if it ends up that what we add is whoever can lobby the best here, then we are still not doing good service with taxpayer money. I will be very glad to see what the different units feel is very important and what they prioritize and I think it would help us.

Mr. Rosamond. May I comment on the gentleman's request?

Mrs. Schroeder. Certainly.

Mr. Rosamond. I would just like to go on record with you. Every project in the 1990-1991 budget that was submitted to the Office of Secretary of Defense was funded. We did not delete any project.

As I commented, in response to Congressman Montgomery, those funding levels in those prioritizations were done at the service levels. The projects that you saw in the president's budget justification books are those projects that were submitted by the Reserve Components, not by OSD/OMB.

Mrs. Schroeder. But our understanding, sir, is it is like kissing through a picket fence. Before those projects are turned in, you tell them what numbers there are going to be.

Mr. Rosamond. I refer back to my comments to Congressman Montgomery. OCD gives them the total obligation authority. We do not break it by appropriation. That is done at the service level.

Mrs. Schroeder. But they still know what the total amount is going to be and so, therefore—I mean, they would look awful, like they hadn't heard their order, if——

Mr. Rosamond. It is not by appropriations. It is total obligation authority. In other words, the services, in the development of their programs, have the priority of moving the dollars from military construction to personnel, O&M, et cetera.

Mrs. Schroeder. Yes, but they still are under the cap.

Mr. ROSAMOND. Under the total cap, yes, absolutely.

Mrs. SCHROEDER. So what I think he was directing at—I am absolutely positive that if you didn't have a cap on there and you told them to prioritize, you would get an entirely different list.

Mr. ROSAMOND. That would come under the backlog aspect.

Mrs. SCHROEDER. Yes, the backlog is what we wanted to see, that $7 billion backlog. I think it is very important——

Mr. ROSAMOND. The backlog we can deal with.

Mr. RAVENEL. You see, Mr. Rosamond, if we are reducing the active force and we are building up and we are increasing the ready reserve, the Guard and the Reserves, then you can understand how naturally if the amounts being expended for the Guard and the Reserve is not increasing, but it is declining——

Mr. ROSAMOND. I can understand your concern.

Mr. RAVENEL. It is a very unusual situation.

Mr. ROSAMOND. I certainly understand that.

Mrs. SCHROEDER. You said it well.

Congressman Martin.

Mr. MARTIN. What I think is very important for everyone to have an opportunity to speak to briefly—and I will ask the Secretary—as you know, this subcommittee now has the oversight for the real property maintenance account. Can you give us an idea what the status is of the real property maintenance accounts, which, as I understand, are separate from the active RPMA account?

Mr. ROSAMOND. I would like to speak to that, Congressman Martin, in general terms and provide for the record the accurate figures in those specific accounts for you.

Obviously, when you have approximately 5,300 facilities dispersed throughout the country and the territories, maintenance becomes a major issue. It has become so major with me personally that I have just added somebody to my staff to accommodate that.

If you would like to talk in terms of BMAR backlog, I can give you those figures now. The actual backlog in fiscal year 1987 was $366 million. In fiscal year 1988, it was $342 million. The fiscal year 1989 budget recognized it as $360 million. The fiscal year 1990 estimate is $433 million and the fiscal year 1991 is $502 million. That is in terms of backlog.

Obviously, there is money going into the BMAR reduction and into the maintenance and repair——

Mr. MARTIN. Can you give us an idea on what that figure is?

Mr. ROSAMOND. I would say approximately half a billion dollars, plus or minus. I would have to provide that for the record.

[The following information was received for the record:]

The Reserve component RPMA accounts are separate from the Active component RPMA accounts. The Reserve component RPMA account program amount for fiscal year 1989 is $599 million and the budget amounts for fiscal year 1990 and fiscal year 1991 are $596 million and $610 million respectively. The Reserve component RPMA funding is inadequate to impact the growing Reserve component BMAR cited above in my testimony.

Mr. ROSAMOND. The point in your question is a major concern of mine. I will be quite candid with you. We have all these facilities and we are building more—as you know. You have seen the budget grow in the last 8 years tremendously in these accounts. We are building facilities fast. It would just be criminal not to maintain those facilities. That is a major issue with me at this point.

Mr. MARTIN. If I understand what you are saying, a total year's average allotment for that repair and maintenance—you have a backlog of half——

Mr. ROSAMOND. Basically, that number of about half a billion dollars is in the ballpark. That is correct.

Mr. MARTIN. It keeps growing. As a matter of fact, over the last 3 or 4 years, it is not a straight-line increase, it is a geometric increase.

Mr. ROSAMOND. Absolutely. It is a concern. I think it is something I am going to have to look at and take those actions that are prudent to resolve that issue. It is a real issue. I thank you for bringing it up.

Mr. MARTIN. The quicker we can start leveling that off or turning it down before it gets totally out of control——

Mr. ROSAMOND. Hopefully we can do that, and that is my concern, too.

Mrs. SCHROEDER. Thank you very much.

If there are no further questions, we would like to thank all of our witnesses for their patience with us this morning and for appearing.

Yes, did you have something more?

Mr. ROSAMOND. Yes, I would just like to point out one thing, Madam Chairwoman. I would like to particularly thank General McMerty and General Carpenter. It will be their last time to testify before this committee. General McMerty is retiring and General Carpenter is taking another assignment. I can truthfully say that I am going to miss them.

Mrs. SCHROEDER. We wish them all the best from the committee.

Thank you very much, and with that, we adjourn the hearing. We will reconvene at 1:30 to hear testimony in this same room from the Defense agency witnesses.

Thank you.

[Whereupon, at 11:35 a.m., the subcommittee was adjourned, to reconvene at 1:30 p.m., this same day.]

AFTERNOON SESSION

FISCAL YEAR 1990-1991 MILITARY CONSTRUCTION—DEFENSE AGENCIES

STATEMENT OF HON. PATRICIA SCHROEDER, A REPRESENTATIVE FROM COLORADO, CHAIRWOMAN, MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

Mrs. SCHROEDER. The Subcommitte will come to order.

Well, I think we will start the second of today's hearings, and we want to thank everybody for being here.

I am going to just go with my opening statement this morning. Congressman Blaz, did you have anything you wanted to say?

Mr. BLAZ. I have nothing at this time, Madam Chairwoman.

Mrs. SCHROEDER. Well, then let us begin with our first witness, who is Dr. William Mayer, the Assistant Secretary for Health Affairs in the Department of Defense.

Dr. Mayer, we welcome you, and the floor is yours.

STATEMENT OF WILLIAM MAYER, M.D., ASSISTANT SECRETARY FOR HEALTH AFFAIRS, DEPARTMENT OF DEFENSE

Dr. MAYER. Thank you, Mrs. Chairwoman, Mr. Blaz. It is a pleasure to be back, and I thank you for the opportunity to present the Department's budget request for fiscal 1990 and 1991. Our program addresses the most pressing health care facility needs in readiness, overseas construction and CONUS medical construction. The request is for $344 million in major construction and $44 million in planning and design.

I believe that the request is reasonable and prudent and really fairly austere. As a matter of fact, it represents about 2.4 percent of the total worth of our medical facilities inventory, which means that if we keep it up at this rate we can modernize the whole thing in 45 years, which is really not very good. It should be modernized or replaced on a 25-year cycle to match the standards of the civilian medical community.

With respect to readiness, we are trying to maintain our emphasis on medical readiness assets, and in this connection we have requested $80 million to construct three 500-bed fleet hospitals in Alaska, Korea, and Scotland, and medical contingency complexes in Luxembourg, the United Kingdom, and Korea. All of these projects are a part of our worldwide strategic long range plan to keep our medical ratings up at the highest possible level, and all of them are timed to the approved funding and procurement of the equipment that goes inside these deployable hospitals. So the request is really quite modest when you consider that we are talking here about several thousand beds for $80 million. A modern hospital today of this size, a Fitzsimmons or a Brooke, is liable to cost five times that much.

Without construction support, our deployable medical systems would be stuck in storage here in the United States, and in the event of an outbreak of war, the lift necessary to move one of these hospitals, even a fairly small one, is just overwhelming. For example, a 200-bed contingency hospital, a combat support hospital so called, the kind we have sitting in Honduras, requires up to 60 separate sorties of our biggest planes. You know that if a war should break out anywhere on earth the chances of our getting airlift, which is going to have as its top priority bullets and rifles and machineguns and food, our chances are going to be very slim indeed.

This is why we need to preposition, why we are procuring the equipment. It is standardized. It can be used by all branches of the services. What we need overseas in these relatively modest construction projects are hard stand storage facilities to keep it secure until it is needed.

We are also committed to funding medical projects that are required to support new missions. In particular, the Navy's Strategic Homeporting Initiative, which is going to require $2.3 million in Texas at Ingleside and a combined total of $5.35 million for similar projects in Mobile, Alabama, and Pascagoula, Mississippi.

I have shared with members of this committee a particular concern for the provision of health care overseas where more than 25 percent of the total force is at any one time. It is a location where alternative sources of care as we have in Washington or San Francisco or Denver just don't exist. We have overseas, some of our oldest and most decrepit medical facilities. They have serious inadequacies with respect to the delivery of health care. We have incorporated into many of the projects features that are necessary to let them expand in case of a contingency. This is a rather small part of our budget. It includes a $28 million hospital replacement at Vicenza in Italy and a medical clinic in Korea.

The biggest portion of our request is for medical and dental requirements right here in the Continental United States. To support medical facility requirements in medically underserved areas, we are requesting $38 million for a hospital and dental clinic at the Marine Corps Air and Ground Combat Training Center at Twentynine Palms, California.

We are also making considerable investment in the United States to support graduate medical education programs, since this is our principal predictable source of the trained specialists that we have to have to go to war. These programs provide advanced training for medical personnel. Therefore, we are requesting $16 million for the final phase of Madigan, at Fort Lewis; $62 million for the second phase of the Brooke Army Medical Center at Fort Sam Houston; and $8.5 million for the first phase of Portsmouth, which is a facility that contains the very oldest hospital building that we have in use in the services. It may be the oldest one in the country.

In support of operational and training bases, we are starting a new hospital, for $62 million, at Nellis Air Force Base in Nevada, and $27 million for the final phase of the replacement hospital at Fort Sill in Oklahoma. The project at Nellis is being undertaken in conjunction with the Veterans' Administration. It will save both DOD and the VA very substantial amounts of money. The way I calculate it—no one has yet been able to deny this—the savings alone from building the new hospital at Nellis will pay for the hospital in less than 4 years—just the savings. That is one of the highest cost medical delivery areas anywhere.

Finally, we are requesting funds for a number of smaller but equally important projects to correct life safety and functional deficiencies in the inventory.

In the 1991 budget request we are requesting $421 million in major construction and $49 million in planning and design funds. About 12 percent of that request is for prepositioning overseas. Prepositioning overseas, but also other overseas projects take up about 14 percent of the budget request. The projects are primarily in Germany, Korea, Turkey.

There were a number of special interest subjects in the committee's report last year which I would like to address just briefly. This subcommittee has repeatedly stressed its concern that the military construction budget does not provide adequate resources to upgrade or replace existing facilities that have exceeded by several years their ability to provide safe and functional and efficient working and living spaces for our military members. I assure you that I totally share this concern.

The budget I am submitting for 1991—actually for 1990 and 1991, reflects my very strong desire to get on with the revitalization of our medical facilities inventory. Aged medical facilities overseas, where approximately 30 percent of our inventory is located, are a particular problem. You will recall the years that we have struggled to replace the hospital in Naples, which I think you have seen, is on the side of a volcano, and the impediments to that replacement, I think we are finally solving that problem. But it is notable that only this subcommittee in the whole Congress supported our efforts last year to correct that problem. We have settled the land problem. We have space at the Naval Air Station, and we are going to build a 47-bed, 3-story hospital there that will satisfy the Navy's needs and will totally replace the hospital we are forced to use.

We have a problem overseas, as do other elements of the Department, with the currency exchange rates, and we may have to put off at least one project just because of the de-escalation in the value of the American dollar. There is a foreign currency account to which we all contribute, made up of unexpended amounts from the previous year's budget, but that can't quite cover the costs.

At Maxwell Air Force Base, we have been very concerned with modernizing, and the economic analysis, as the required first step in the execution of this project, is scheduled for 1992. The committee also directed the Air Force to complete its assessment of life safety deficiencies in that facility, and I can report that we did find some significant life safety problems. Correction of these problems will be accomplished as a part of the project included in the 1990 budget. We have not, however, started the economic analysis because there will be too great a time period between it and the first year that we can put that project into the program, which is 1993.

A great deal of concern has been expressed about Philadelphia, the Naval Shipyard Clinic. This committee expressed its desire that the Secretary of Defense initiate design of the replacement facility and include the project in this budget. The Defense Medical Facilities Office has requested $11 million for this project in 1991. It is presently under design, and it will be executable in the year we have asked for the money.

We have four legislative proposals and we request, respectfully, that you support these. The first is for full authorization of the total price of $330 million to replace Portsmouth Naval Hospital and authority to contract in advance of the appropriations for the hospital. The second request is for extension of authorization for prior-year projects at Misawa Air Force Base in Japan and Iraklion in Crete. Finally, for extensions of current authority under sections 2809 and 2862 of Title 10.

The authority requested for Portsmouth is required to execute the project under a system of phased funding. It is obviously entirely too big to do in 1 year. There is an internal government requirement that each phase or each portion of the project has to be funded so as to be absolutely complete and usable within the amount of money that is funded for it.

We need some flexibility with the phasing of this project so that we can distribute the funding as it progresses so as to match what we are actually accomplishing without completing a given part of it there and another given part of it here. That flexibility has been granted to us in other construction projects, Madigan and Brooke, for example, but we need it for Portsmouth.

The extensions of authority under title 10 will allow us to continue innovative mechanisms for acquisition of medical facilities by long-term contractors. For example, in Kwajalein where we could do a kind of a lease arrangement with the contractor out there it would enable us to have the project started much sooner and completed much sooner at no additional cost to the Government.

I would like to comment, if I may, finally, just for a moment on base closure and the report of the Base Closure Commission. The recommendations of that Commission will unquestionably have a significant impact on a number of medical facilities, on graduate medical education, and on the way we allocate medical personnel. As the program manager for medical resources, naturally I will play a major role in the reallocation of those resources to deal with these impacts. Some of them will be a loss of facilities, in other cases it will be an increased demand on existing facilities. My staff is working with the Military Departments as they plan the implementation of the closure and realignment recommendations, and I believe that within 5 or 6 months we can have a very detailed plan, which we will supply to you, as to exactly how we are going to deal with the changes in the Commission's recommendations if in fact it does pass through the Congress.

In summary, we very much appreciate this subcommittee's support for construction of DOD medical facilities which directly impact on the safety and the well-being of our military people and their families all over the world, and we ask that you look favorably on this year's request.

One final unprogrammed comment. I would like to thank you again, Mrs. Schroeder, for your help with our VIP insurance program which has signed up more than 2,000 cases. Only about 5 percent of them are former spouses, and there is a legalistic complication that we have to clear up having to do with whether they are entitled to both treatment in our facilities and also in CHAMPUS. But I think that is a technicality that will be cleared up. I was in the interesting position, since I have an offspring who signed up under that program, of having to approve a rate increase which brings Government into real life.

Mrs. **Schroeder**. Yes, it does. Right to the dinner table.

Dr. **Mayer**. So thank you. I would be very happy to answer any questions that you may have.

Mrs. **Schroeder**. Thank you. If you need legislation or anything, let us know on that because we want to make sure that that works.

PREPARED STATEMENT OF DR. WILLIAM MAYER, ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)

Mr. Chairman and Members of the Subcommittee

Thank you for the opportunity to present the Department of Defense's Budget Request for the Fiscal Years 1990-1991 Medical Military Construction Program. This program addresses our most pressing health care facility needs in readiness, overseas and CONUS medical construction. The FY 1990 request presently before the Congress is for $344 million in major construction and $44 million in planning and design. I would like to acknowledge the contribution that this Subcommittee made last year in supporting the Department's efforts to improve the condition of our medical facilities worldwide, especially overseas.

Our FY 1990 and 1991 requests are reasonable and prudent given the size and scope of the Military Health Services System and present fiscal realities. There are almost 1,200 facilities in our inventory ranging from small medical aid stations to sixteen major teaching centers that support our Graduate Medical Education Programs. The current replacement value of this inventory is over $16 billion. There is an urgent need to modernize and replace these facilities, both to keep pace with modern medical practice and to meet our wartime requirements for medical contingency support.

Readiness

The FY 1990 request maintains the Department's emphasis on prepositioning medical readiness assets. We are requesting $80.43 million in FY 1990 to construct 500-bed fleet hospitals in Adak, Alaska and Camp Carroll, Korea; a 500-bed fleet hospital in Lanark, Scotland; and medical contingency complexes at Echternach, Luxembourg and Chessington, United Kingdom. This request also includes a frozen blood facility at Camp Carroll, Korea, and a second echelon storage facility at Zaragoza, Spain.

All the readiness projects are supported by the Worldwide Plan for Medical Mobilization and Contingency Facilities. Construction for contingency hospitals is timed to the approved funding and procurement of Deployable Medical Systems (DEPMEDS) and designed to support the Military Departments' concept of operations at each site. Without construction support, these DEPMEDS would have to be stored in the Continental United States, significantly limiting our capability to treat casualties in theater.

New Missions

The Department is also committed to funding medical projects required to support initiation of new operational missions. In support of the Navy Strategic Homeporting Initiative, we are requesting $2.3 million for a medical-dental clinic at Ingleside Naval Station, Texas and a combined total of $5.35 million for similar requirements at Mobile, Alabama and Pascagoula, Mississippi. The two projects at Mobile and Pascagoula are being accomplished through an innovative design build contract.

Overseas

The provision of health care overseas, where alternative sources of care are not available, is also a high construction priority. This category includes medical facilities which are among the oldest in the inventory and, historically, have not received adequate military construction funding. In addition to correcting serious inadequacies for delivering health care, we have also incorporated into many overseas projects features necessary for these facilities to expand their missions for contingencies.

Our FY 1990 request includes a $28.0 million hospital replacement at Vicenza, Italy and a troop medical clinic at Camp Garry Owen, Korea. Not every urgent overseas medical construction need is addressed in the budget request before you. However, the request is reasonable in light of the fiscal and political realities which we all acknowledge play a part in decisions about military construction overseas.

United States

The greatest portion of our FY 1990 request is in support of medical and dental requirements in the Continental United States.

To support medical facility requirements in medically underserved locations we are requesting $38.0 million for a hospital and dental clinic at the Marine Corps Air and Ground Combat Training Center, Twentynine Palms, California. It is imperative that active duty personnel and their families have adequate health care facilities at this isolated location.

The FY 1990 request also includes a substantial investment in facilities that support graduate medical education.

These programs provide advance training for medical personnel needed to meet our critical wartime missions and to provide most of the specialty referral capability in our system. We are requesting $16.0 million for the sixth and final phase of the Madigan Army Medical Center at Fort Lewis, Washington; and asking for $62.0 million for the third phase of the replacement at Brooke Army Medical Center, Fort Sam Houston, Texas. Additionally, we are requesting $8.5 million for the first phase of a hospital replacement at Naval Hospital, Portsmouth, Virginia whose original building still in use was constructed in 1830. The Portsmouth project represents the Department's commitment to replace the oldest facility in its medical facilities inventory. It is a multi-year investment project of $330 million for which full authorization has been requested.

In support of operational and training bases in the contiguous forty-eight states, the FY 1990 program requests $62.0 million for a new hospital at Nellis Air Force Base, Nevada and $27.0 million for the final phase of the replacement hospital at Fort Sill, Oklahoma. The Nellis project is a joint-venture of the Department of Defense and the Veterans Administration, which will result in substantial savings for both departments. This request identifies the Department's portion of the funding requirement. The Veterans Administration is requesting separate funding of approximately $9.3 million in construction which must be made available along with planning and design funds in order to build this much needed project in an area where local health care costs are extremely high.

Finally, we are requesting funds for a number of smaller, but important, projects that correct life safety and functional deficiencies in our inventory. These are requirements that should not be ignored.

FY 1991 Budget Request

The FY 1991 budget request submitted in January requests $421 million in major construction and $49 million in planning and design funds. Our FY 1991 request reflects the same priorities as FY 1990.

In the aggregate, almost 12 percent of the funding request supports prepositioning of medical readiness assets including the fleet hospital initiatives in the United Kingdom; a second echelon medical logistics storage facility at Aviano Air Base, Italy; and the mission beddown of the stealth bomber squadron at Whiteman Air Force Base, Missouri.

Overseas facilities make up approximately 14 percent of the FY 1991 request. All the projects are replacement medical and/or dental clinics in Germany, Korea, and Turkey.

The majority of the FY 1991 funding request is for replacement hospitals at several of our oldest, yet busiest, multi-disciplinary teaching centers for graduate medical education. Phase II of the Naval Hospital, Portsmouth, Virginia project (for which full authorization has been requested in FY 1990) and the fourth phase of the Brooke Army Medical Center at Fort Sam Houston, Texas, are included.

The remainder of the funding request supports several hospital life safety projects and replacement troop medical and dental clinic projects at military installations throughout the United States.

Items of Special Interest

There are a number of special interest subjects in The Committee's report (No.100-563) last year which I would like to address briefly.

Infrastructure Revitalization

The Committee stressed its concern that the military construction budget does not provide adequate resources to upgrade or replace existing facilities that have exceeded, by several years, their ability to provide safe, functional, and efficient working and living spaces for military members.

I assure you that this is a very real concern to me. The budget I am submitting reflects my strong desire to get on with the revitalization of our medical facilities inventory. Aged medical facilities overseas, where approximately 30 percent of our inventory is located, are a particular problem. In FY 1987 and 1988 I brought forward the requirement for the Naval Hospital, Naples replacement project. Regrettably, only your subcommittee supported the requirement. Now that the issue of land has been settled, we will complete the planning and start the design later this year.

Foreign Currency

Another ongoing problem faced by all military construction programs is the increasing price we must pay for overseas construction. The decline of the dollar has had a major impact on our purchasing power overseas. In FY 1987, a currency fluctuation account was established within the Department. It has been capitalized with unobligated balances from prior years and some other appropriated funds. Since the Assistant Secretary of Defense for Health Affairs assumed program responsibility relatively recently, we have had limited prior year funds from which to draw to make up for losses due to currency fluctuations. The foreign currency account is a great aid, but it is likely that we will be required to defer the award of some projects to avoid over obligation until our deposits to the fund accumulate to a more substantial degree.

Maxwell Air Force Base Hospital Modernization, Alabama

The Committee directed the Assistant Secretary of Defense for Health Affairs to begin the economic analysis required by section 1087 of Title 10, United States Code, as the required first step in the execution of this project in fiscal year

1992. The Committee also directed the Air Force to complete an assessment of the life safety deficiencies in the facility that could be handled through an unspecified minor construction project. It further directed the Air Force to make the Assistant Secretary of Defense for Health Affairs aware of this assessment so that the project could be appropriately considered.

I can report that we did find some specific life-safety problems. Correction of these problems will be accomplished as part of the project included in our FY 1990 budget request. We have not, however, started the economic analysis as you directed. While there may be some remaining facility problems at Maxwell, higher priority competing demands preclude addressing them in the near term. It would be inappropriate to begin the economic analysis process until the project is closer to execution.

Philadelphia Naval Shipyard Medical Clinic

The Committee expressed its desire that the Secretary of Defense immediately initiate design of the replacement facility at Philadelphia Naval Shipyard and to include the project in the fiscal year 1990 military construction budget request. The Defense Medical Facilities Office has requested $11 million for this project in the FY 1991 budget request before you. It is presently under design and it will be executable in the year requested.

Legislative Proposals

The Department has submitted a number of legislative proposals that affect military construction. Four of these directly impact the medical program. I ask your support of the four which are; full authorization of $330 million and authority to contract in advance of appropriations for the Naval Hospital, Portsmouth; extension of authorization for prior year projects at Misawa Air Force Base, Japan and Iraklion Air Force Base, Greece; and extensions of current authorities under sections 2809 and 2862 of Title 10, United States Code.

The authority requested for the Naval Hospital, Portsmouth is required to execute the project under phased funding. This is identical to prior year actions on other major medical construction projects. The projects in Japan and Greece are still much needed. We require the flexibility to match funding with a Japanese Facility Improvement Project at Misawa and we need to stay ready to execute the Second Echelon Medical Facility at Iraklion should the Government of Greece approve our construction. The extensions of authority under Title 10 will allow us to continue innovative mechanisms for acquisition of medical facilities by long term contract or turn key selection processes.

Base Closure

The recommendations of the Defense Secretary's Commission on Base Realignment and Closures will have a significant impact on a number of medical facilities, on Graduate Medical Education, and on the allocation medical personnel. As the program manager for medical resources, I will play a major role in the reallocation of resources to deal with these impacts. My staff is working with the Military Departments as they plan the implementation of the closure and realignment recommendations.

In summary, we appreciate this Subcommittee's support for construction of DoD medical facilities which directly impact on the safety and well-being of the military family around the world. We ask you to look favorably on this year's request.

Mrs. **Schroeder**. Well, we want to thank you, Dr. Mayer, for being here. I just wanted to pick up on something that you mentioned. You were saying you will be studying what you should do after the Commission's report goes through, if it goes through the Congress. Right?

Dr. **Mayer**. Thank you for bringing that up. No, we are studying it already.

Mrs. **Schroeder**. OK. Well, that is true, but I understood that you also had a study going on of medical facilities. Is that a separate study? In other words, I was under the impression there was a study going on of current medical facilities and which ones you wanted to drop or not drop. But is that now pre-empted by the Commission? Are you going to be making recommendations to close more things?

Dr. **Mayer**. Oh, no.

Mrs. **Schroeder**. OK. So you are going to be making recommendations of how to allocate resources after the Commission report takes effect, if it does?

Dr. **Mayer**. That is correct. If I implied anything different, I am sorry.

Mrs. **Schroeder**. So there isn't any other study, then, going on looking at that whole area?

Dr. **Mayer**. No, there isn't.

Mrs. **Schroeder**. The next question I have is what does that do about Letterman? Then what happens with your recommendations about Letterman? Or is that to be in the next report?

Dr. **Mayer**. Actually, we won't be able to give a final determination or plan for how we are going to manage the whole Bay Area if in fact Letterman closes. Clearly, if they do close that hospital, the first priority is how are we going to take care of the patients. Some of them can be moved to Oak Knoll. However, both Oak Knoll and Letterman are seismically unsound, which is why we started an economic analysis some time ago to try to determine whether the most appropriate thing would be to bolster both hospitals and put them up on cushions—there are lots of fascinating ideas—or whether it would be better to look for a joint service hospital, a new hospital that we might build in that area, or just what we can do.

The immediate problem is going to be taking care of patients and we can certainly take care of some at Oakland. But some are going to find themselves having to use CHAMPUS. Fortunately, throughout all of California we have in progress what at this point is potentially successful revision of the CHAMPUS program, a reform project which you are familiar with. So the impact of having to use CHAMPUS in the form of CHAMPUS reform, or CHAMPUS Prime as we call it, will be less than it would be if we didn't have that in place.

In addition, we have established a joint medical command. It is called the San Francisco Medical Command, and both the Army and the Navy with advice and counsel from the Air Force, even though they are not a part of the immediate vicinity, participate. That Command will, since it is on the spot—they are running the clinics and hospitals now—will have very firm recommendations as to what to do.

One of my major problems, of course, is going to be what to do with the 16 graduate medical education residency training programs that are at Letterman. Again, some of those might be absorbed into Oakland. But, in order to keep a program accredited, it requires absolute assurances that there are certain numbers of faculty with each group of residents and that the input of patients of the kind needed by that specialty is sufficient to maintain it. Those judgments are made by a body completely outside of Government, called the Accreditation Council for Graduate Medical Education.

The Army is looking at where some of those residency programs could be moved. Some might be moved to Fitzsimons, or parts of it. Some might be added to existing programs at Fitzsimons. But, again, if you get too many residents for the number of patients that historically come in with a particular problem, you can't get accredited.

The Army is considering Fort Bragg, which is a hospital that needs replacement and which could conceivably one day be a medical center with graduate programs, training programs.

Mrs. SCHROEDER. Well, let me ask a question that Congressman Martin had asked me to ask. He couldn't be here this afternoon. He said last year the two of you had had some conversation about the Air Force Academy Hospital——

Dr. MAYER. Yes.

Mrs. SCHROEDER. Which has a long, long history, starting in 1984. As you know, last year the Appropriations Committee ended up spending $2.2 million just to do Band-aid repairs on this; and, if you go all the way back to the economic analysis in 1984, they were talking about needing something done at the Air Force Academy Hospital.

Congressman Martin was very upset in that it seems that for 10 years this has been going around and around and around and around, and it appears that we don't even see this thing appear until maybe the fiscal year 1994 budget, if you can believe that. So I guess the question he wants to know is why isn't anybody paying attention to the Air Force Academy?

Dr. MAYER. Well, actually, you can tell him that we and the Air Force are both paying a great deal of attention to the Air Force Academy because we are all aware that some real improvements are needed in that medical facility.

Mrs. SCHROEDER. But there is no funding.

Dr. MAYER. Right.

Mrs. SCHROEDER. I guess he wants more than attention. I guess he wants a line item.

Dr. MAYER. I understand and I sympathize with that. What we have tried to do as we have centralized the planning for military construction is to look at the entire spectrum of military facilities worldwide, using equal numbers of Army, Air Force, and Navy people on the staff of the Defense Medical Facilities Office, so that we could set priorities that were defensible.

Now, while the Air Force Academy is certainly a high priority of the people at the Air Force Academy, and it is with us, it is not as high a priority, for example, as the replacement of the Naval hospital in Naples, Italy or as another Air Force project that is going to have to be faced when they move out of Torrejon in Madrid and move to Italy. They are going to need some kind of medical facility.

So what I am saying is simply that, given the obviously limited amount of money that we have to address the entire system worldwide, the Air Force Academy's needs are not high enough on the priority list in the consensual view of people from all the services working together, to get into the budget until about 1994.

Mrs. **Schroeder**. I guess that is the next part. My time has expired, but, obviously, we have had the same frustration with Fitzsimmons. That they have studied and studied and studied and studied it for years and then finally you get the 1987 report saying the taxpayers are best served by having Fitzsimmons there. But nothing ever happens, and this thing is almost prehistoric. Dinosaur surgery or something which is way out there, but we would really like to something that is much better.

We are also taking over burdensharing responsibilities this year for the first time, and I think you are going to find this committee a lot tougher, asking questions about why NATO countries are not doing a whole lot more to pay for those hospitals in Europe. We may not have the same priorities you do. I mean, we may decide that it is time to be investing domestically because we know at least they will be here 30 years from now or 50 years from now. We have a great question: How many of those hospitals are we still going to be in even 10 years from now overseas?

So we might flip the priorities as we look at that, and I think we are going to have some very interesting discussions on this panel as we proceed.

But, as I say, my time has expired and I don't mean to hog it. So, Congressman Blaz, the time is yours.

Mr. **Blaz**. Thank you. Thank you very much. The chair's time never expires.

[Laughter.]

Mr. **Blaz**. I didn't get any response, so I guess I am in trouble here, Doctor.

Doctor, I have to word my question carefully because I may be viewed as someone against the retired community. So let me just say that as a retiree I certainly would like to have facilities at the right places when I am ready to go use them again.

Would it be accurate to say that much of our difficulty right now is because we have a very large retired population that is taxing all of our facilities, primarily statewide?

Dr. **Mayer**. I would be hesitant to ascribe the majority of our problems to our retired population.

Mr. **Blaz**. Well, you are a bit more diplomatic than I am, I guess.

Dr. **Mayer**. No, it is true. It is true.

Mr. **Blaz**. All right. I was just building up to another question, and that is, that over the last few years I have heard that the medical capability of our country in the event of war is badly wonting right now, and my concern personally is whether or not if we were to go into an emergency right now of the magnitude of a world war how would you character our ability to provide the necessary medical facilities to meet such an emergency? Say on a scale of 10, would it be between 1 and 10? Would you answer that one?

Dr. **MAYER**. If you will be willing to say I didn't ask you to ask that question.

Mr. **BLAZ**. No. No. You didn't ask me at all.

[Laughter.]

Dr. **MAYER**. I am glad you did ask it. The fact is that a very few years ago we were at a very low scale on a scale of 1 to 10 as to our ability to go to war. Our ability to do so is a joint function of the materiel necessary to do medical operations, the operating rooms and the supplies and equipment on the one hand, and the people on the other. We have seen in the last 5 years a very significant increase in the number of both physicians and nurses, some on active duty, more in the reserve, than we had ever had before; and, at the same time trying to parallel this, we have been acquiring these deployable medical systems, DEPMEDS, which are complete hospital systems. I have asked you for some construction support so that we can place these DEPMEDS, overseas. Actually, our overseas investment is really very small in comparison to what it has been or has had to have been in the past.

But I can tell you now that as of this moment even in a general war on two fronts, all over the world, if it were to break out today, we have in hand or have actually ordered, not just thought about—in hand or on order, being assembled, 75 percent of the equipment we would need even for a worldwide conflagration. Now that is a better state of readiness than is true in many other areas of defense, like ammunition and artillery rounds and so on. That has only occurred because the services have gotten together, agreed on what kinds of overseas materiel we need, and agreed on the kinds of specialists that we need. During the early phases of a war you need a lot of surgical intervention and you can't just have ordinary physicians who don't generally do surgery all of a sudden plunged into an operating room that resembles a "MASH" hospital. We have assessed very carefully our need for surgeons and for other specialties that we can cross train, who already do major amounts of surgery, like obstetricians, gynecologists and ear, nose and throat people, and have designed additional training for them to bring up the level of specialists that we need.

We are much healthier than we have ever before been, with respect to medical readiness, to go to war, which is our primary mission.

Mr. **BLAZ**. I am glad to hear your response. Let me go back to the retired question because I think I misstated myself to the point where I might want to clear it up. That is, the biggest compliant I have from retirees is that they feel a sense of betrayal whenever the facilities are not adequate for their care. But at the same time, by your answer, I am very pleased to know that not only are we taking care of them, and, obviously, you are, but this last statement of yours, let us not forget what the mission, the primary mission really is because we have to balance that. I am persuaded that you have that very much under control. You did not ask me the question.

Dr. **MAYER**. Thank you.

Mr. **BLAZ**. My time is up. Thank you.

Mrs. **SCHROEDER**. Thank you.

Dr. **MAYER.** May I just add a comment about the retired population?

Mrs. **SCHROEDER.** Sure.

Dr. **MAYER.** When we set our priorities worldwide, our first priority for construction, obviously, is for that primary mission: combat readiness. Our second priority is for facilities overseas or in underserved areas because we have an absolute responsibility to the members of the armed forces to take care of them wherever they are. But our next priority is graduate medical education, which is the residency training that turns out a surgeon or an orthopedist or an obstetrician, and which also commits the doctor after that training to a certain period of time spent serving with us.

Actually, Mrs. Chairwoman, starting in 1986, we have, pumped $14 million—we have only spent $8 of it so far—into the life safety and modernization upgrade for Fitzsimons' needs, and we have a proposal, which I have instructed the Army to pursue and make detailed plans for another, about $5 million, $5.2 million I think it is, to upgrade that hospital.

The reason I talk about the graduate medical education investment that we must make, that is in our big medical centers and mostly that is where people retire, and we need the retired population to continuously supply those great teaching centers with the kinds of cases that keep our surgeons and our internists really up to snuff. We can't put the retired person's requirements ahead of those of the soldier who is about to get shot, but he is way up there. Those of us who are also retired have a very great stake.

Mrs. **SCHROEDER.** Thank you. Congressman Ravenel?

Mr. **RAVENEL.** Good afternoon, Doctor.

Dr. **MAYER.** Good afternoon, sir.

Mr. **RAVENEL.** This $20 million hospital in Vicenza, that would replace the hospital in the crater there at Naples?

Dr. **MAYER.** No, sir.

Mr. **RAVENEL.** This is another one?

Dr. **MAYER.** Yes. Naples is down on the west coast.

Mr. **RAVENEL.** I have been there.

Dr. **MAYER.** OK, so you know it is beautiful. But Vicenza is in northern Italy toward the east. It is our only real hospital for northern Italy. We have a fair number of troops being served there. This is a very modest hospital because the thing we are using last time I saw it was terrible.

Mr. **RAVENEL.** I didn't see an amount in here for the removal of the hospital at Naples.

Dr. **MAYER.** No, sir, it is not in the budget at this moment.

Mr. **RAVENEL.** Not in the budget.

Dr. **MAYER.** Because we have just now settled this big issue of where in Italy is there any land to put on a hospital.

Mr. **RAVENEL.** I was there and I saw the hospital, and I saw where it is going in at the airbase. I just want to echo what has already been said. I don't believe that we ought to get into the construction of any more expensive permanent-type facilities when we, really, I believe in 5 years we are going to be out of those areas. Unless, of course, the Italians would like to, and they should, they absolutely should pay for those facilities if they want us to continue to preserve the peace in Europe. Then they are getting close to 45 years now almost.

The $11 million for the Philadelphia hospital, that is for what? What would that do?

Dr. MAYER. Oh. It is not a hospital, sir. It is the occupational health clinic, which will also give primary clinic care to the active-duty forces.

Mr. RAVENEL. Is it going to be new construction?

Dr. MAYER. This is, really, a replacement of the old clinic that is on the Naval Shipyard in Philadelphia, at the Philadelphia Naval Base, and it is just the clinic.

Mr. RAVENEL. I was up there not so long ago. Did you all consider—and I went through the hospital and I was very impressed by the renovation that had been done in some of the wings with the old but very substantial portions of the building. Have you all considered renovating any of the unused wings there to contain this clinic?

Dr. MAYER. It isn't really necessary. We have to have the clinic for the shipyard workers, and it will be an additional duty for that clinic to take some Navy people for sick call and the primary care for the youngsters off the ships that put into the Naval Shipyard. As far as any further renovation of Philadelphia, which is very close to my heart—I interned there. Some of my best friends like Philadelphia. For an old hospital, it is remarkably well preserved. But it does not meet so many of the requirements of the practice of modern medicine and the life safety requirements that it just doesn't warrant taking that old huge thing and trying to renovate it.

The new clinic is clearly needed even if we had a brand-new hospital in Philadelphia.

Mr. RAVENEL. I just wanted you to get me straight on that point.

Then insofar as the hospital at—the Greek hospital, as you know, given the present attitude of the Greek Government, we would probably be constructing that hospital for the Greeks.

Dr. MAYER. That is Iraklion.

Mr. RAVENEL. Iraklion.

Dr. MAYER. Yes. The hospital there is a very small, modest thing, and the only reason it is important is because, for the Americans who are there, there is really no acceptable alternative. The project you are referring to is not for a hospital. It is a small storage facility for medical readiness units.

Mr. RAVENEL. This is at Iraklion?

Dr. MAYER. Yes, sir.

Mr. RAVENEL. I see. I am just starting my second term as Congressman. I am from the First Congressional District down there in Charleston, and quite frankly I was appalled at the low extent to which military medicine, particularly Navy medicine, had gotten in that area. That fine—I know you have seen it—500-bed hospital there. Only 124 beds open. Average patient census 2 years ago of about 60. Only 30 percent of the staff to staff it. A hundred and twenty-three thousand beneficiaries of military medicine of the hospital in Beaufort and the one in Charleston. Dependents screaming and yelling. Retirees, all of whom are—we get thousands of them there—well educated, relatively affluent, sitting around all registered to vote.

Dr. **Mayer**. It is a great place to retire.

Mr. **Ravenel**. Right. Of course, we have got catchment area management down there, which is working well. Working well, making good progress with partnership agreements. Everybody is excited about it. We have opened four new clinics. So in my area things are slowly but surely improving. But the problem that we have is, in so many areas that I have visited with Personnel, and with MilCon to a lesser extent, is not bricks and mortar, but is staffing.

I just want to share with you something that happened yesterday that really concerned me. The Personnel Committee has been holding hearings on retention of the pilots. They are all going to—fly for the airlines, and we had Navy pilots and we had Air Force pilots. When the questions were asked—and these were fellows who had been in I would say an average of probably about 7 or 8 years, and they are approaching the time when, if they are going to go to the Air Force, they make the decision to leave.

We asked them, we said: What is it, what is it that causes most of you to leave? Is it money or is it, quality-of-life issues for you and your family? To a man, Dr. Mayer, it was quality-of-life issues, and first and foremost was military medicine. It really concerns me and I certainly hope it concerns you folks over there at DOD.

Will you be coming to the Personnel Committee——

Dr. **Mayer**. No, sir.

Mr. **Ravenel**. Because I have got some questions on the CHAMPUS reform initiative?

Dr. **Mayer**. That is a privilege that has not been extended to me. I really want to assure you, the Navy has had a particular problem, but their concern and all of our concerns are very intense with respect to quality-of-life issues; and, of course, we think medical care is absolutely, hands down, first and foremost of those issues. That is why we are trying to improve the situation for those who do have to get care under CHAMPUS. That is why we are trying very selectively to repair and replace those in the direst need before we move on to the next hospital or the next clinic.

For example, the Portsmouth Naval Hospital, we are delivering babies there in Building No. 1, which was built in 1836. While they have just broken their necks to try to keep that facility operational, it is a totally dysfunctional kind of a structure to do modern medicine in. In Charleston, as in some other places, we have really splendid bricks and mortar. I could name any number of hospitals——

Mr. **Ravenel**. This business of taking the CHAMPUS money——

Mrs. **Schroeder**. The gentleman's time has expired.

Mr. **Ravenel**. The environment to enter into these partnership agreements is really working well. I want you to know that.

Dr. **Mayer**. I am just delighted to hear that.

Mrs. **Schroeder**. The gentleman's time has expired. Thank you. The Congressman from Philadelphia, who I am sure has a few things to say, Congressman Foglietta.

Mr. **Foglietta**. I thank you, Madam Chairlady.

Dr. Mayer, some questions first on the situation in Philadelphia. I would like to inform my friend from South Carolina that the Naval Hospital to which you referred is on the list for closure. That will not be expanded. It will not be renovated. That will leave the adjoining Philadelphia Naval Shipyard within the Philadelphia Naval Base, where there are approximately 13,000 civilian employees and maybe another 6,000 or 8,000 military employees at any one given time, dependent upon a clinic for emergency and outpatient care. You are talking 20,000 people needing that emergency and outpatient care, and you can imagine a shipyard, with the kind of work that goes on in there, they need the emergency care desperately.

My question is that—you have, I see, on page 10, 1990 MilCon budget request, Defense Medical Facilities Office requested $11 million. Now my question is this. In view of the fact that since that request was originally made for $11 million the hospital adjoining was going to close, and they were working in tandem with one another for care that had to be carried on at the hospital. Since that hospital is going to close, do we believe at this point that the $11 million replacement facility will be sufficient to give the kind of care that would be needed by some 20,000 people, or are we talking about, maybe, an expenditure of closer to $20 million?

Dr. Mayer. Well, it is a good logical question for you to ask, but we do believe that the $11 million will provide the clinic. This is outpatient, ambulatory, including emergency intervention for the active duty and the occupational health needs of the unclean workers at the shipyard.

Mr. Foglietta. Emergency——

Dr. Mayer. Absolutely. Life saving. Need for acute trauma or life support. We are talking very seriously, and I think quite successfully, as you know, with the Veterans' Administration about its new hospital up the road, which is not very far away from the Philadelphia Naval Hospital. Assuming the Base Closure Commission does have its recommendation accepted, we can just forget about Philadelphia Naval Hospital.

Before that actually takes place, I am convinced that we will have a satisfactory arrangement for more beds at the VA, which are going to be closely allied with the University of Pennsylvania Medical School.

Mr. Foglietta. I understand that. I live in the area.

Dr. Mayer. I know that.

Mr. Foglietta. That is my district.

The question of providing of beds is not a problem.

Dr. Mayer. No, sir.

Mr. Foglietta. Now we have discussed and we worked out a mini-hospital situation whereby the Naval Hospital would be reposed within the new Veterans Hospital which is being built. So that will be a part of the Veterans' Hospital, although an autonomous part of it, of that hospital. I don't question that. All I am questioning is will the $11 million be enough for the emergency care that is needed there, and have any recent studies been done to show that is enough or is any money going to be made?

The reason this question comes to my mind is that if they are going to say we are going to need more money, that this is not going to be enough, I would like to have it included in this design period rather than have to start all over again from scratch with a new design which means it will be put back another 2 or 3 years.

Dr. **Mayer**. If indeed that clinic, because of a slightly longer run up to VA, is going to have to be bigger, the design as it is being prepared allows for this, but it will cost more money. As soon as we have finalized an agreement with the Veterans' Administration for exactly what we are going to provide in that hospital, what the Navy is going to provide within the VA Hospital, we will then know for sure if that clinic should be bigger, and we will come back immediately for whatever additional funding is needed.

Mr. **Foglietta**. Thank you.

Mr. **Ravenel**. Will the gentleman yield?

Mr. **Foglietta**. Yes, certainly.

Mr. **Ravenel**. Dr. Mayer.

Dr. **Mayer**. Yes, sir.

Mr. **Ravenel**. This arrangement with the VA Hospital, we went up there and spent a day up there. Who is going to take care of the retirees?

Mr. **Foglietta**. There are approximately, in the area of approximately between 120,000 and 130,000 active and retired personnel who depended on the Philadelphia Naval Hospital for medical care. The requirements for beds actually was approximately 31 beds per day, I think that was the average. So we don't really need that many beds. What do we do? The original proposal was to spread this care out among various facilities, the main facility being the hospital at Fort Dix. Well, as you know, Fort Dix is being phased out, so there is no hospital there.

My original suggestion was, since in my district alone there are 26 medical institutions, that we contract out that medical care to these institutions which are in existence and are giving state-of-the-art medical care, Philadelphia being one of the great medical centers of the world. However, the United States Navy said that will be too expensive to do it on a contract-out basis. Therefore, we have no alternative but to find an alternative.

The alternative is, as the Navy suggested, build a new hospital. Which we think is kind of stupid in view of the fact that we have 26 hospitals and we are building a new Veterans Hospital a mile away. So what we decided in meeting with Senator Heinz, Senator Specter, myself, Congressman Weldon and some others, was that what we would try to attempt to do would be to establish a mini-hospital, a mini-naval hospital within the larger Veterans Hospital, giving the Navy autonomy over the hospital it is working but then sharing facilities with the Veterans Hospital. Now understand this is in a complex of other hospitals—the Veterans Hospital itself, the University of Pennsylvania, Pennsylvania-Jefferson, Hahnemann, et cetera, et cetera, et cetera—all great hospitals within a mile. So they would be able to use those facilities also for exceptional surgery and care that is needed.

Dr. **Mayer**. Just one final word on that. We are hoping for at least twice as many beds within the VA structure as we are currently using, and maybe more. The reason for that is that then some of the retirees who are having to go out to other hospitals, where we only pick up 75 percent of the cost, and the cost in Philadelphia—no reflection on Philadelphia, but it is very high every place.

Mr. **Foglietta**. That is only because we give the best medical care in the country.

Dr. **Mayer**. It is excellent medical care in Philadelphia. Among the finest on earth.

But, in any case, by expanding the number of beds in the Navy's portion of the VA Hospital, if that is the way it works out, and I think that is the way it is going to work out, then we can actually accommodate, at no cost, some of the retirees who are having to put out 25 percent of the bill charged now as they go to other hospitals.

Mrs. **Schroeder**. Congressman Skelton?

Mr. **Foglietta**. I will be back.

Dr. **Mayer**. I can hardly wait.

Mr. **Skelton**. He sounds like General MacArthur, doesn't he? [Laughter.]

Mr. **Skelton**. Doctor, thank you very much. Just a couple of questions. One deals with the Japanese failure to move and do something positive in Misawa. Can you give us some thoughts or reasons on that, sir?

Dr. **Mayer**. I think it is just a question of delay, Mr. Skelton. We expect to get the money for Misawa from the Japanese as part of the Japanese Facilities Improvement Program (JFIP).

Mr. **Skelton**. They have been doing fairly well in that regard.

Dr. **Mayer**. Yes.

Mr. **Skelton**. So I guess there is no major problem in that?

Dr. **Mayer**. As far as I am aware, no.

Mr. **Skelton**. OK.

Dr. **Mayer**. It is under design by the Japanese.

Mr. **Skelton**. Good.

Dr. **Mayer**. Under the JFIP.

Mr. **Skelton**. Good.

Dr. **Mayer**. They have clearly said they will fund it.

Mr. **Skelton**. Good.

Dr. **Mayer**. It hasn't gone as fast as any of us would like.

Mr. **Skelton**. Just so you are convinced it is on track.

Dr. **Mayer**. Yes, sir, I am.

Mr. **Skelton**. If you are, that is fine.

In Naples, I had the, I can't say it is a pleasure, but I went through your hospital. Went over and saw your cousins over there, Mr. Foglietta. I went through the hospital at Naples, and, of course, we are to make a move out of that whole area, which is really an earthquake zone, and one of the seven floors is usable. I suppose that is still the situation now.

Dr. **Mayer**. Oh, actually, we are using several floors. Up on the sixth floor we have dentists because we figure they are ambulatory and they can get out early.

Mr. **Foglietta**. Two floors are closed off but the rest are in use.

Dr. **Mayer**. Yes, sir.

Mr. **Skelton**. OK.

Dr. **Mayer**. The fourth and fifth floors are useless. They are not useless but we are not willing to put people in them.

Mr. **Skelton**. I saw a lot of vacant beds on several of the floors, I know that. OK.

Dr. **Mayer**. Those are the floors we are just not using.

Mr. **Skelton**. Yes, sir. What about moving that? What site will that be moved to now? There are two alternatives, as I recall, and I think there was something wrong with the first one and maybe the second one has been chosen.

Dr. **Mayer**. The first one, the one we are most hopeful about was a little closer, a little easier access to where most of our families live up there, which is up the coast from Naples. That is called Padua. That just fell through completely. The price kept going up. We finally got the Italian Government to agree and then the owner wanted more money.

So I did one thing immediately, and that was to move a 50-bed, and you know the hospital in Naples is only 24 beds, which is, in my judgment, inadequate because it isn't just taking care of the people we have ashore. It is not taking care of another 15,000 people afloat in the Mediterranean. We are going to need a hospital there unless we decide to pull the whole fleet back to the United States, and I don't think that is possible.

But, in any case, I got the Air Force, which has a very fine 50-bed air transportable hospital, with operating rooms, and the X-ray and the lab in iso-shelters. You know, those containers.

Mr. **Skelton**. Yes.

Dr. **Mayer**. The rest of it can be put up very quickly. I got the whole thing moved down and stored at the airbase. We have managed now to come to an agreement for the use of part of the land we already have. We don't have to buy anything. We don't have to pay any premiums or blackmail. We can build our hospital, a fixed hospital, right there very close to the airstrip. Not so close that it is in danger, but it is at the very airfield where you flew in.

Mr. **Skelton**. Sure. Well, very good. This would be how many beds, sir?

Dr. **Mayer**. Forty-seven, as opposed to the 24 we have now.

Mr. **Skelton**. Yes. That is good.

Thank you very much. It was good to see you again, Doctor.

Dr. **Mayer**. You, too, sir.

Mrs. **Schroeder**. Well, thank you very much, Doctor. I know we all have a lot of questions, but we have another witness, so we have got a problem. But one of the things I would like for the record, that I wanted to follow on for Congressman Skelton.

Can you tell us the difference in cost between building that hospital versus a hospital ship?

Dr. **Mayer**. Yes.

Mrs. **Schroeder**. Because I think it would be very important to have those for the record. Because, at least, a hospital ship we could move around, and rather than continuing to build hospitals and find out, Oops! They are in the way of an earthquake or out there on a crater or over here or over there. I think that may be one of the things we would like to look at. Maybe for the record you could get some different statistics on that.

[The following information was received for the record:]

The feasibility of mooring a hospital ship in Naples was investigated by the staff of the Chief of Naval Operations and the Naval Sea Systems Command in late 1985.

The conclusions reached then are considered valid today.

The recommendation at the time was that mooring a hospital ship or hospital barge was not advisable because:

(a) There is no suitable U.S. controlled pier in Naples harbor and harbor bottom conditions make new pier construction very costly;

(b) The only available location for construction of a pier is at Nisida Island, a NATO controlled area. The cost of a pier at Nisida Island was in the range of $30–$50 million;

(c) Nisida Island is accessible by a single lane causeway from the mainland and the island itself is too small to permit parking; thus all staff and patient access would require busing;

(d) Crew costs (not medical staff) were estimated to be $8.6 million per year; security costs were $1.2 million per year; busing costs were $0.4 million per year; and ship/barge operation/maintenance costs would be $3.6 million per year;

(e) The cost of constructing a barge was not previously estimated because at the time this was examined there was only one shipbuilding firm in the market, and while they had produced marketing material, they had never constructed a hospital barge and were not in a position to produce a costed proposal.

In summary, mooring a hospital ship or barge in Naples would require an investment of $30 to $50 million in pier facilities plus annual costs of between $13 and $14 million in excess of fixed facility operating costs. This can be compared with the fixed investment of approximately $28 million for the hospital proposed at Capodichino which has annual operating costs of approximately $6–$7 million.

Dr. MAYER. I will. I would just like to quickly add, without interfering with the next witness, the fact that we did examine that idea very carefully. But what must be understood is that a hospital ship is, essentially, a huge intensive care unit of enormous expense. Plus the two magnificent ships we have—and I invite all of you who can to visit the one we have in Baltimore called Comfort. We have another one in San Francisco called Mercy. They are 1,000-bed intensive care hospitals with 12 major operating suites. We would be tying up a priceless deployable asset which we might need within hours in case of a war by using it as a conventional hospital. Since it is not designed as a conventional hospital, it would be terribly wasteful.

So we moved from that idea down to a scheme that the Swedish Government has. They have built floating motels for oil workers in the North Sea. They also build very fine, deployable hospitals, and they were willing to supply us with—at a very reasonable cost, I might add—a barge-mounted hospital of about 40 or 45 beds at less than we could build it for.

But you know what we encountered? There is no place on the west coast of Italy where we could bring that, even the barge, let alone the ship—the ship draws 39 feet, so it won't go in anyplace. Even if you could get it up to shore, there is no place to park. Every inch of land along the west coast of Italy, which is a very highly prized area as you know, is just totally inaccessible to us. So, even if we had a hospital ship there or if we had this barge arrangement with a fine floating hospital on it, there is no way the patients could get to it, and leave their vehicles and be cared for.

Mrs. SCHROEDER. I just think, though, that those are still very important things we need to look at because of the transferability.

Dr. MAYER. Oh, absolutely.

Mrs. SCHROEDER. I would like to request that any member who has written questions be able to submit them at this time.

Dr. MAYER. Of course. By all means.

Mr. FOGLIETTA. While we are preparing new facilities for the 120,000 to 130,000 people in the Philadelphia area, can we be assured, for the record, that the present level of care which is being given at the Naval Hospital will continue until the time that a substitute plan is put into effect?

Dr. **Mayer**. I feel that you can count on this. There is no design on the part of the Navy, and certainly not on the part of my office, to reduce the level of care that we are presently giving to the retired and dependent and active-duty population in the Philadelphia area. So, every intention is to continue exactly the same level of services regardless of how we are maneuvering the hospitals.

Now, it is possible that some services currently given by uniformed people will be given by people who we hire under personal services contracts, but we are not cutting down on the care. I understand the reason for your question. I want to assure you that I have made very strong representations to the Navy that we will object very, very seriously to any reduction in the level of care that is currently provided.

Mr. **Foglietta**. Thank you, Doctor. Now, turning from my home congressional district to my ancestral home congressional district. You have said that the original plan was to move the hospital to Padua. I think you meant Capua.

Dr. **Mayer**. I meant Capua, yes. I am sorry.

Mr. **Foglietta**. I just wanted to correct the record.

I was there and I was talking to Admiral Gallo, a very learned person and a fine representative of our armed forces.

Dr. **Mayer**. Yes, he is.

Mr. **Foglietta**. We are moving out of Agnano, the present location, because it is in a seismatic area, or it is on the rim of a——

Dr. **Mayer**. It is the rim of an active volcano.

Mr. **Foglietta**. Of an active volcano and it is susceptible to terrorism. They are the three main reasons.

Dr. **Mayer**. Totally cut off, if anybody wants to block a single road.

Mr. **Foglietta**. Plus there is a hotel across the street they could use as a headquarters to blow us out of there. The plan, as I understand it, is now to move to an area alongside of Capodichino Airport.

Dr. **Mayer**. Yes, sir. On land we already have.

Mr. **Foglietta**. When you stand in that area, you look up and you see Mt. Vesuvio next to you.

Dr. **Mayer**. That whole Naples area is——

Mr. **Foglietta**. Well, why are we moving from one earthquake area into another earthquake area? Also, it is in a very densely populated area, which will make us just as susceptible to terrorist attack.

Dr. **Mayer**. You are right. You are absolutely right.

Mr. **Foglietta**. Well, can't we find another location?

Dr. **Mayer**. That is a decision that is way above my pay grade. It is a decision in Italy, of course, of the Southern Command. The whole naval headquarters is in the same volcano. I have argued with them and said: Look. I don't care about your headquarters. I just care about my patients.

It is true that moving by the airfield still has some of the same problems. It is not as unstable as the land in the crater, which is subject to two different kinds of earthquake activity. Down below it is only one kind.

Mr. **Foglietta**. We will have to invite Admiral Gallo over and we will sit down and talk about this. I don't want to take any more time of the committee.

I thank you, Madam Chairlady.

Dr. **Mayer**. It is the best solution we can do at the time.

Mr. **Foglietta**. Or maybe we can go over and visit him.

Dr. **Mayer**. Any time.

Mrs. **Schroeder**. Thank you very much again, Dr. Mayer. We really appreciate your time. As I have said, I am sure we have got more questions than there is ever time for, so maybe a few people can submit them. Thank you.

Dr. **Mayer**. Be happy to. Thank you.

Mrs. **Schroeder**. Patiently waiting has been Barbara S. Pope, the Deputy Assistant Secretary for Family Support Education and Safety, from the Office of the Assistant Secretary, Department of Defense.

Barbara Pope, we welcome you. We are delighted to have you. We will put your statement in the record, and if you care to summarize, the floor is yours.

STATEMENT OF BARBARA S. POPE, DEPUTY ASSISTANT SECRETARY (FAMILY SUPPORT EDUCATION AND SAFETY), OFFICE OF THE ASSISTANT SECRETARY (FORCE MANAGEMENT AND PERSONNEL), DEPARTMENT OF DEFENSE

Mrs. **Pope**. Thank you, Madam Chairwoman. I have a few opening remarks I would like to make at this point.

Our dependents' education military construction budget consists of projects which meet worldwide criteria, prioritization and coordination with the military services. These essential projects will provide educationally sound facilities and will reduce problems such as safety hazards, lengthy bus requirements, overcrowded classrooms; lack of multipurpose rooms for physical education, fine arts, vocational education, and other necessities; lack of hot lunch programs at 14 schools, which affect 5,200 students in fiscal year 1990 alone. Currently these students brown bag their lunch, eat in military messes, or leave school campuses to eat lunch.

The DODDS projects also include two previously authorized and appropriated projects from the fiscal year 1986 MilCon budget that were deferred due to currency shortfalls. However, the establishment of the foreign currency account, which this committee supported, has enabled us to stabilize the overseas construction program. All projects in fiscal year 1988 have been executed, and we anticipate full execution of all of our fiscal year 1989 projects.

There have been numerous discussions within the Department of Defense and Congress on the utilization of modular facilities as construction alternatives. In our fiscal year 1990 budget we are piloting three projects which we will closely monitor to document savings, speed of construction, and end product quality.

Let me conclude by stating that we in the Department of Defense believe that our dependents are entitled to attend schools that are comparable to those stateside. I appreciate your time today, and I am prepared to answer any questions.

Prepared Statement of Barbara S. Pope, Deputy Assistant Secretary (Family Support Education and Safety), Office of the Assistant Secretary (Force Management and Personnel), Department of Defense

Madam Chairwoman and Members of the Committee:

I am Barbara Spyridon Pope, Deputy Assistant Secretary of Defense for Family Support, Education and Safety.

I am pleased to have the opportunity to appear before you today to present the FY 90/91 Military Construction (MILCON) program for the Department of Defense Dependents Education Program which consists of the overseas DoD Dependents Schools (DoDDS) and the stateside Section 6 Schools. The total military construction currently requested in FY 90 is $66.9 million and $91.6 million in FY 91.

DoDDS has 271 schools located in 19 countries to serve the 151,778 DoD students overseas. Many of the schools overseas were established over the past 40 years in temporary, converted, and make-do facilities which remain in use today and are inadequate for the provision of a quality education for DoD dependents. While the DoDDS programming of military construction over the last 10 years has improved this situation, many schools still exist which have deficient conditions due to age of facilities, increasing enrollments, changing military missions and specialized educational program requirements. DoDDS is frequently cited by the North Central Association of Colleges and Schools for the existing inadequate school conditions. These citations jeopardize accreditation unless DoDDS can demonstrate that positive steps are being taken to correct the deficiencies. Appropriate references from the NCA reports have been included in the MILCON project documentation. For example, the requirement for the new Edwards Elementary School project in Frankfurt is well documented by NCA accreditation reports which cite the facilities' deficiencies such as (1) the size and design of the buildings were not adequate to meet the needs of the educational program (lack of classroom space), (2) the teaching stations were not appropriate to meet the physical needs of the students (classes held in converted garages and family housing units), (3) inadequate facilities for specialized instructional areas (computer classrooms and special education), and (4) the facilities did not meet legal safety requirements (dark hallways and only one exit).

DoDDS has made significant improvement during the last 7 years in stabilizing and improving the execution of our military construction program. The adverse impact of foreign currency fluctuation, which forced the deferral of five FY 86 projects and two FY 87 projects, has largely been overcome through the establishment of the foreign currency fluctuation account for military construction. All FY 88 MILCON projects were awarded in a timely manner and an equally successful execution of the FY 89 program is anticipated.

DoDDS is requesting 9 major projects in the FY 90 MILCON budget submission which total $59.1 million and 11 major projects in the FY 91 submission which total $87.4 million. Included in these funding totals are 8 projects for student meal facilities at various locations in Germany totaling $6.6 million in FY 90 and 25 student meal projects totaling $16.8 million in FY 91.

The student meal facility projects requested in this budget are sorely needed to provide the kitchens and multipurpose rooms necessary for preparing and serving a nutritionally balanced hot lunch. Currently, at many locations within DoDDS, only cold box lunches or snacks are provided for lunch because no facilities exist in which to prepare or serve adequate meals. The inability to provide a hot lunch is a continuing source of concern and frustration to parents, school administrators and military community commanders. In addition, in most locations in Germany multipurpose rooms serve as lunch rooms, gymnasiums, and auditoriums. The demand on use of these multipurpose rooms is exacerbated by inclement weather.

The DoDDS FY 90/91 MILCON program is primarily focused on the most critical school construction requirements within the European Command (EUCOM) area. The projects that have been submitted reflect a thorough prioritization of facilities requirements by DoDDS, the military service components and EUCOM. This prioritization process has carefully balanced educational requirements with troop stationing and demographic requirements.

Three projects in the FY 90 program (Bermuda Elementary School, Hohenfels Elementary School Addition, and Grafenwoehr Elementary School Addition) will be built using modular construction techniques. Modular construction is being used in Montgomery County, Maryland, as well as other school districts to provide relocatable school facilities that are comparable in quality to conventional construction. These projects will be closely monitored to document cost savings, speed of construction, and end-product quality. DoDDS will expand the use of this type of construction in future years if the three FY 90 projects demonstrate feasibility and cost-effectiveness.

The remainder of the MILCON request for FY 90, $7.8 million, and for FY 91, $4.2 million is for the Section 6 Schools program. We are requesting funds in FY 90 for the Antilles Consolidated School System (Puerto Rico) to accommodate the current student population of 3,400. The three projects in FY 90 are being requested for the renovation and expansion of existing facilities at Fort Buchanan and Roosevelt Roads Naval Station in Puerto Rico.

The FY 90 high school expansion project at Fort Buchanan provides for construction of classrooms which were in the FY 86 original project but deleted due to high bids, plus a running track and athletic fields. A restructuring of grades will be accomplished upon completion of the requested project. The Roosevelt Roads Naval Station projects provide for construction of additional classrooms, including science, art, music and industrial technology labs and expansion/improvement of a media centers facilities to improve curricular offerings, to alleviate overcrowded conditions which have resulted in the use of substandard facilities, and to maintain standards set by the North Central Association of Colleges and Schools.

Your support of these necessary school construction projects will result in the provision of adequate, acceptable school facilities at these locations which will be capable of providing the space required to maintain accreditation when they are being utilized by dependents of U.S. military and civilian employees overseas and stateside.

I thank you for the opportunity to appear before this committee.

Mrs. **Schroeder.** You are amazing. I think you have set some kind of record, Barbara.

Well, first, let me ask about the school projects in Puerto Rico that you have requested.

Mrs. **Pope.** OK. Specifically?

Mrs. **Schroeder.** The Section 6 schools; yes.

Mrs. **Pope.** Right.

Mrs. **Schroeder.** Could we have a little more information about that?

Mrs. **Pope.** We have two projects at Roosevelt Roads, one for the Elementary School and one for the high school at Fort Buchanan High School. These projects are basically additions and renovations that accommodate overcrowded classrooms, NCA citations and program growth. There are multipurpose rooms. In Roosevelt Roads Elementary, there are six kindergarten classrooms, 12 general purpose classrooms, one music room, and one art room. At the Roosevelt High School, we have an industrial arts classroom, a media center, a liberal arts classroom, an athletic facility, and replacement of the air-conditioning system.

At Fort Buchanan specifically, we have an all-weather running track and a soccer/football field. We are accommodating an increase in enrollment to 520 students and athletic support facilities.

Mrs. **Schroeder.** Let me ask how close we are to losing accreditation at schools that due to prior budget restraints we haven't been able to pick up? Is that a real concern?

Mrs. **Pope.** No. The North Central Accreditation will give us a citation. There is usually a period of 5 years. They will come back and re-cite the school if we have not corrected the problem. If there is a safety hazard, we may lose accreditation. None of these accreditations are life threatening.

Mrs. **Schroeder.** So you don't feel that is a real immediate——

Mrs. **Pope.** Not the facility. None of the facility problems are an immediate threat to losing accreditation.

Mrs. **Schroeder.** If I can go back to the Section 6 schools.

Mrs. **Pope.** Sure.

Mrs. **Schroeder.** What is the status of trying to transfer them to local school districts?

Mrs. **Pope.** This has been a long issue. In December of 1988, Deputy Secretary Taft wrote Congress explaining what we had done. The Department has spent the last 3 years and untold man-hours, my personal man-hours and my staff, meeting with the States, with the local education associations, with our military local parents, and our school boards. Basically, there are two schools that won't be transferred under any circumstances, Fort Campbell and Camp Lejeune. We have basically come back to Congress and said that there are no incentives out there for the States to take them over.

Mrs. **Schroeder.** They don't want them.

Mrs. **Pope.** If any State is willing to take them over, we are certainly happy to work with that State, and with that local LEA. The biggest concerns are those of impact aid. The concerns are that if they enter into a contractual arrangement with the Department of Defense that those funds may be cut a year from now, or 2 years from now.

Nobody is opposed to educating the children. The concern is local funds. Of all of the schools we came into contact with, none of the local education associations have enough money to take on 2,000, to 5,000 students. The States would have to be willing to give extra funds to the local education agency.

Mrs. **Schroeder**. So they see themselves as assuming a tremendous liability with no guarantees long term.

Mrs. **Pope**. Absolutely.

Mrs. **Schroeder**. When are you going to be able to complete the construction program in Europe, especially Germany?

Mrs. **Pope**. Our backlog?

Mrs. **Schroeder**. Yes.

Mrs. **Pope**. We are proposing that it would take 8 years to totally meet all of our backlog.

Mrs. **Schroeder**. OK. Thank you very much.

Congressman Blaz.

Mr. **Blaz**. Thank you. Thank you very much.

First, let me say for the record that we in the Territory of Guam, Mrs. Pope, are very grateful to you for the work that you have been involved in the last 3 years to improve the school system on Guam. I was just there last week for a special occasion, and there is so much more improvement than we had even anticipated. I know that it has taken you 3 years, you and your staff, and it isn't often that I am in a position to thank anyone profusely for what they do for my little old Territory. But I will tell you, you are all very, very kind to us, and as a result of that the American children of my Territory, both locals and the dependents, are very competitive, will be even more competitive, and I wanted to use my time, part of my time to make that statement for the record. So it is good to see you.

Let me ask you a question about DODDS schools in the States. I was under the impression that we only have a few left in the various States, and I heard someone say that some places—not on Guam, but other places—there may be some plans to start DODDS schools. Is there such a plan?

Or let me ask you the question, how many schools do we have in this? I know there is one in Virginia—Quantico.

Mrs. **Pope**. Actually, there is also one in Dahlgren, Virginia. We actually have two in Virginia. We have 17 school systems in eight States, in addition to Puerto Rico and our arrangement in Guam.

There is no movement from the Department to expand the Section 6 schools. Most of these schools started in very rural areas alongside of our bases. When the military went in the local school systems were not able to accommodate our children.

Mr. **Blaz**. Let's say in the case of Quantico, since it is nearby and probably we are all familiar with that, although one could argue that it has outlived its usefulness in the sense of why it was started in the first place, would it be accurate to say that because it is working so well that we are just leaving well enough alone?

Mrs. **Pope**. That is part of it. Virginia, obviously, has an excellent State school system. Part of it is that military parents elect their own school boards, have a say in the education of their dependents, and that is very sacred to those military parents, that they feel they have a voice in their children's future.

All of the Section 6 schools, because they are for military dependents, are very sensitive to the needs of their military dependents. They are sensitive to the needs of being uprooted every couple of years; they are sensitive to discipline problems as someone moves in, anxiety as someone is moving out; they are also very sensitive to mid-year interruptions in the academic year; and, by the purpose of the school, try to extend themselves in any way possible so that the students can complete a semester, can either graduate early or can take their credits and transfer them. So they try to keep the students totally current. That does not always happen in a public school system because there is not a vested interest.

Mr. **Blaz**. OK. Thank you very much, Barbara. I just want to say once again that we are very pleased that we have a person of your caliber in the position that you hold.

Thank you.

Mrs. **Pope**. Thank you, Mr. Blaz.

I would like to mention for the record that our military families are happy with our arrangement in Guam and are surprised at seeing such a drastic difference in the quality of education so soon. I mean, our arrangement is less than a year old. We want to thank you for your support.

Mrs. **Schroeder**. Congressman Ravenel.

Mr. **Ravenel**. What have you got there in Guam, is it DODDS schools or Section 6 schools?

Mrs. **Pope**. It is a Section 6 arrangement in Guam, and we have contracted with the Guam Department of Education to bring in additional teachers, to do some classroom enhancement, to expand some special classrooms to do English as a second language. We have contracted for some language proficiency tests for the current teachers, and some money to train those teachers who haven't had those opportunities. So it is an arrangement.

Mr. **Ravenel**. Well, I think the less said and the less you have stood apart on the Section 6 schools, the Members who have them in their districts, the better off those Members will be. That is a politically explosive situation, particularly in the areas that are not too affluent.

Mrs. **Pope**. Base closure has, obviously, been a very politically diverse subject. I think the Section 6 transfer issue is probably equally as——

Mr. **Ravenel**. Hair raising. Section 6 is better left alone, anyhow.

I would like to say that with Personnel we visited tons of DODDS schools in the NATO countries, and we were very impressed with them. We really were. We really think we are getting ripped off in that housing project there in Naples where we are paying this unbelievable rent for that facility. Although it is a nice facility, I think we are financing the Italian national debt.

Of course, I am also concerned about spending too much money for fixed facilities, in Germany in particular. If my information is correct, and I have reason to believe it is, abroad we have got an 88 percent increase in 1990, is what you all are requesting, and an 85 percent increase in 1991.

I beg your pardon. Eighty-eight percent of the schools abroad where new facilities will be built.

Mrs. POPE. We basically only have two new facilities. Most of what we have are additions to accommodate overcrowding and statutory requirements for education. So most of it is to accommodate and to renovate old facilities.

Mr. RAVENEL. Have you all ever approached the Germans about furnishing some of these facilities?

Mrs. POPE. The only place we have been successful is in AFCENT, which we did do burdensharing with the Netherlands, the United Kingdom, Canada, and Germany. We shared 54 percent of that project.

Mr. RAVENEL. How much?

Mrs. POPE. Fifty-four percent of the project, and they covered the other portion of that. The schools have been an issue at NATO on burdensharing. We have been very successful with the Japanese. The Japanese are building beautiful schools for DODDS, faster than we have been able to do it under military construction. So they have been included.

Mr. RAVENEL. I would just make this comment. It is just unbelievable that the Japanese would be doing so well and the Germans, where we have preserved, really, peace in Europe for a longer period of time in recorded history——

Mrs. POPE. The schools have been part of the proposal for NATO to pick up on that. It tends to be one of the less controversial issues for facility construction.

Mr. RAVENEL. Less controversial?

Mrs. POPE. Yes. I mean, as far as the mission of our department. There are no local political concerns by host nations if they are building schools. So it is in the proposals for burdensharing.

Mrs. SCHROEDER. But they don't do it.

Mrs. POPE. But they haven't done it yet. In the meantime, have to have adequate facilities for the children.

Mr. RAVENEL. Yankees come home. Thank you.

Mrs. SCHROEDER. Thank you. Well, we really appreciate your time. Obviously, it is of great concern that we do have trouble trying to catch up with the backlog in Europe, and yet we don't see why we should have to be spending that money with the Europeans. It is a very troubling thing for this committee, and I think everyone of us hears from personnel over there that that is one of the most critical things they look at, is the school system.

So we appreciate the terrific attention that you have put on this and trying to juggle all of these very difficult balls. We look forward to working with you in the future. We promise, Mr. Ravenel, we won't mention Section 6 schools again.

Thank you.

Mrs. POPE. Can I quote the chairman on that?

[Laughter.]

[March 9, 1989, Defense Agencies hearing questions for the record and responses from DOD (Dr. William Mayer, ASD, Health Affairs; Barbara Pope, DASD, Family Support, Education and Safety) follows:]

Question: You mentioned the joint-venture hospital that the Air Force and the Veterans' Administration are building at Nellis Air Force Base. What is the status of the VA funding on this project? Is it available?

Answer: The joint-venture for the Air Force and Veterans Administration (VA) at Nellis Air Force Base requires funding from both the Department of Defense and Department of Veterans Affairs. The VA is requesting $9.3 million for its share of the joint-venture. The $9.3 million is part of the VA's FY 1990 budget request before the Congress.

Question: You have a study of medical facilities now going on in the San Francisco Bay Area. What impact does the base closure commission proposal to close Letterman Army Medical Center have on this study?

Answer: The proposal to close Letterman Army Medical Center will not have a significant impact on the study because the contractor is required to analyze a broad spectrum of scenarios. These scenarios include; (a) continuing to operate both Letterman Army Medical Center and Naval Hospital Oakland; (b) consolidating both medical centers into one new facility; or (c) closing both facilities and purchasing all medical care from the civilian community. The closure of Letterman will, however, limit the options available to the government.

Question: Why doesn't NATO or host countries do more to help pay for hospitals in Europe?

Answer: A recently released study on financial and other resource contributions to NATO by NATO countries indicates that host nations do provide significant contributions to the overall NATO effort. With regard to construction of hospitals, medical care and the provision of the physical plant in which care is rendered is the individual responsibility of each member nation of NATO. There are, however, some areas where the NATO Infrastructure Program provides the funding for medical facilities. This primarily occurs with the provision of storage facilities for wartime medical assets. We are using this mechanism when and where it has application.

Question: How does base closing affect your building in Gulf Coast homeports?

Answer: The Medical Military Construction projects planned for the Gulf Coast homeports will proceed as planned. We are reviewing medical facility issues that may arise as a result of base closure and force realignments and when required, they will be handled as part of base closure actions.

Question: The $176 million for phase II of the Portsmouth, Virginia Naval Hospital in fiscal year 1991 may be the largest line item in the entire military construction budget. Tell me, why does this project cost so much? What is the total cost of the hospital? Are we spending more on hospitals than is the private sector?

Answer: The FY 1991 budget request of $176.0 million is for the second phase of a five phase funding initiative for Naval Hospital Portsmouth. This phase provides a complete and usable acute care facility to replace several buildings, including Building #1 occupied in 1830.

The current working estimate for the project is $330 million. With regard to the relative cost of hospitals built in the private sector, it must be understood that the comparisons are flawed. The missions vary and the outpatient requirement in the private sector is miniscule in comparison to the requirement in military hospitals.

Question: How much input did you have into the Base Closure Commission? Did they consult you before they decided to close bases where hospitals are located?

Answer: My staff in the Defense Medical Facilities Office provided information on a variety of related subjects. We gave detailed information on medical facilities that are stand alone installations--that is, facilities that are not tenants of another command. A number of other discussions took place regarding bases which do contain medical treatment facilities as tenants. The individual Medical Departments also furnished information on these and other facilities.

Question: Obviously, military medicine has been under attack and many of our facilities are old. With that in mind, how can you justify spending so much on containerized hospitals which have no value whatever unless there is a war?

Answer: The congressionally mandated Blue Ribbon Panel on Sizing of DoD Medical Treatment Facilities identified medical readiness as the number one criterion to be used in determining the priority for selection, review and allocation of scarce DoD health care construction resources. The report recognized the twofold role of the military medical health care system. Medical readiness in support of its wartime mission was cited as the primary role.

It is clear that a fundamental requirement exists for medical military construction resources in support of medical readiness. Projects support the local Commanders' top priorities on a global basis. Additionally, they also comply with previous direction of the Congress to develop a worldwide medical readiness plan and have it in place by 1992.

Certainly it is our hope never to have to use these wartime hospitals. However, should war occur, these medical readiness assets must be in place prior to any outbreak of hostility. Once an outbreak occurs, time will not permit us to transport and set up our Health Care Facilities.

Question: Provide the committee with your plan for meeting the health care needs of retirees and their dependents as a result of the base closure proposal.

Answer: The Secretary of Defense has accepted the recommendations of the Commission. My office is now working to accommodate the health care requirements created by the closed and realigned missions. Several options are being evaluated to determine the most cost-effective manner to satisfy the health care requirements of the retiree population. Retirees and their dependents will be directed to the nearest military medical facility where space available care can be provided, or to another DoD managed program. However, in those areas where a military hospital closes, it is likely that the retiree's principle source of care will be through the CHAMPUS program and/or Medicare.

Question: In your prepared statement, you made special note of the readiness projects included in the budget request. You have listed several 500-bed fleet hospitals and contingency complexes as readiness projects. It is my understanding that your rating system for all medical construction projects, the Military Health Services System (MHSS), rates operational and high troop concentration projects fifth out of seven categories and readiness as number one. Why are operational and high troop projects not considered as readiness projects? Why are the day-to-day medical needs of our service members not considered as important as contingency needs?

Answer: As a point of clarification, the Military Health Services System (MHSS) is the entire health care delivery system within the Department of Defense. The prioritization of projects is one of the criteria in establishing a list of medical military construction projects. In prioritization, bases with operational and training missions are certainly considered, but not with the same relative weight. The reason is that these bases are within the Continental United States and have existing health care facilities where services are available. Facilities in support of (1) prepositioning of medical readiness assets overseas; (2) new or expanded missions within or outside the United States; (3) overseas; or (4) in medically underserved areas in the United States may not have adequate existing capability to meet health care needs. The day-to-day needs of service members must be met both at home and abroad. Our program continues to address the health care needs of all DoD beneficiaries and provides the capability to have in place those facilities required by the CINCs in the event of mobilization.

Question: In the mission prioritization categories used in developing the medical construction program, why do graduate medical education facilities enjoy a higher priority above medical treatment facilities supporting operational and stateside readiness missions?

Answer: Graduate Medical Education (GME) facilities serve as the training grounds for those skills necessary for the successful execution of the primary responsibility of military medicine--medical preparedness in time of war. The skills developed in the GME environment are funneled to the facilities across the Military Health Services System (MHSS). In this way, medical personnel, to include nurses, physicians assistants, nurse practitioners, physicians, and dentists are optimally prepared to provide high quality medical care at all facilities, including those with operational and stateside readiness missions.

Question: Do you believe that the current Institute for Surgical Research facilities at Fort Sam Houston, Texas, are adequate to support the burn center at Brooke Army Medical Center?

Answer: The current Institute for Surgical Research (ISR) facilities at Fort Sam Houston, Texas, are adequate to support the ISR. The ISR consists of nine separate buidings, eight of which house laboratory and administrative functions in support of the Burn Center located in the main hospital building of Brooke. The laboratory and administrative buildings are separated from the Burn Center by approximately 1 mile. This distance will increase to 2.2 miles when the new Brooke is completed. The laboratory can continue to function in its present location.

Question: What are your plans for replacing the current Institute for Surgical Research? What is the timetable for replacement of these facilities? Is the Institute for Surgical Research a separate building from the hospital?

Answer: The laboratory and administration buildings of the Institute of Surgical Research are separate from the clinical activity, the Burn Center. We are replacing the clinical activity in the new Brooke Army Medical Center. The new Burn Center includes a 40-bed inpatient unit, an outpatient clinic, physical and occupational therapy areas, x-ray and an operating room. The function will encompass over 63,000 gross square feet at a substantial cost.

We do not have plans to replace the laboratory and administrative buildings of the Institute of Surgical Research. On February 17, 1989, we informed the Secretary of the Army of our decision to eliminate the research laboratory building based upon the necessity to fund critically needed medical projects. Further, this activity, absent its clinical function, clearly falls into a construction category normally programmed and funded within the Military Department.

Question: Are research facilities traditionally funded from the military construction budgets of the individual services? If so, why is the $15 million Institute for Surgical Research at Fort Sam Houston, Texas, included in the Defense Medical Facilities budget request for Brooke Army Medical Center when scarce dollars are needed so desperately for facilities to provide health care to active duty personnel, their dependents, and retirees and their dependents?

Answer: Yes, research facilities are traditionally funded under Military Construction Category Code 300 by the Military Departments. The $15 million Institute for Surgical Research is not included in our Medical Military Construction (MILCON) Program.

Question: What is the current status of DoD's effort to transfer Section 6 schools to State and local school districts?

Answer: The DoD Section 6 Schools are being retained as they have been operating. On December 30, 1988 Deputy Secretary of Defense Taft advised the Chairmen of the Senate and House Committees on Armed Services and Appropriations that DoD had fully met Congress' guidance to study the feasibility of transferring educational responsibility for the Section 6 students. Since there were no incentives to encourage States to absorb our students into local school systems; and transfers under current conditions would result in, at best, minimal savings in the DoD budget, Mr. Taft directed the suspension of the Department's efforts to effect transfers of Section 6 students. If a specific State is interested in assuming the educational responsibility for our Section 6 students and is supported by the appropriate Members of Congress, we will be willing to work with them.

PREPARED STATEMENT OF MAJ. GEN. EUGENE FOX, U.S. ARMY, DEPUTY DIRECTOR, STRATEGIC DEFENSE INITIATIVE ORGANIZATION

PL-CE

THANK YOU, MR. CHAIRMAN, FOR THE OPPORTUNITY TO APPEAR BEFORE YOUR COMMITTEE. I AM MAJOR GENERAL EUGENE FOX, DEPUTY DIRECTOR OF THE STRATEGIC DEFENSE INITIATIVE ORGANIZATION (SDIO).

I'M PREPARED TO MAKE AN OPENING STATEMENT AND THEN TO ANSWER ANY QUESTIONS YOU MIGHT HAVE RELATED TO THE FISCAL YEAR 1990 AND 1991 BUDGET REQUEST FOR MILITARY CONSTRUCTION FUNDING FOR THE STRATEGIC DEFENSE INITIATIVE.

THE SDIO IS REQUESTING AUTHORIZATION AND APPROPRIATION FOR A COMBINED TWO YEAR TOTAL OF $53.1 MILLION FOR FIVE MILITARY CONSTRUCTION PROJECTS, UNSPECIFIED MINOR CONSTRUCTION, AND PLANNING AND DESIGN REQUIREMENTS. $8.9 MILLION IS FOR TWO PROJECTS IN FISCAL YEAR 1990 AND $34.2 MILLION IS FOR THREE PROJECTS IN FISCAL YEAR 1991. THESE MILITARY CONSTRUCTION PROJECTS ARE REQUIRED TO SUPPORT STRATEGIC DEFENSE INITIATIVE RESEARCH AND TECHNOLOGY VALIDATION EFFORTS. $2 MILLION IS REQUESTED IN BOTH FISCAL YEARS TO SUPPORT UNSPECIFIED MINOR CONSTRUCTION. PLANNING AND DESIGN REQUIREMENTS AMOUNT TO $2 MILLION IN FY 1990 AND $4 MILLION IN FY 1991.

IN FY 90, THE REQUEST INCLUDES ONE FACILITY AT NELLIS AIR FORCE BASE, NEVADA, AND ONE FACILITY AT THE KWAJALEIN MISSILE RANGE, REPUBLIC OF THE MARSHALL ISLANDS. FOR FY 91, THE REQUEST IS MADE UP OF ONE FACILITY AT THE PACIFIC MISSILE RANGE, BARKING SANDS, HAWAII; ONE FACILITY AT NELLIS AIR FORCE BASE, NEVADA; AND, ONE FACILITY AT A CLASSIFIED CONTINENTAL U.S. LOCATION. AUTHORIZATION AND APPROPRIATION OF THE FUNDS REQUESTED WILL SUPPORT EFFORTS REQUIRED TO PROVIDE ESSENTIAL TECHNICAL DATA IN IMPLEMENTING A FEASIBLE DEFENSE STRATEGY AGAINST BALLISTIC MISSILES. WE GREATLY APPRECIATE THE SUPPORT OF THE CONGRESS IN THIS ENDEAVOR AS IT IS AN EXTREMELY IMPORTANT ONE.

THE FY 1990 REQUEST FOR $6.5 MILLION TO SUPPORT THE MISTY ZEPHYR TEST SITE PROJECT WILL PROVIDE A COMPLEX FOR TESTING SUBSCALE COMPONENTS OF THE THRUSTED NOVA SYSTEM AT THE NEVADA TEST SITE ON NELLIS AIR FORCE BASE. CONSTRUCTION WILL INCLUDE A TEST STAND, CONTROL BUNKER, AND A SMALL CRYOGENIC FLUID STORAGE SYSTEM. THE INITIAL SUBSCALE TEST RESULTS WILL PROVIDE SUFFICIENT INFORMATION TO PREDICT THE RESULTS OF A FULL-SCALE TEST WHICH, IN TURN, SHOULD GIVE US THE CONFIDENCE TO PROCEED WITH SUCH A TEST. THE OTHER FY 1990 PROJECT, NEEDED FOR SAFETY REQUIREMENTS, WILL BE LOCATED AT THE KWAJALEIN MISSILE RANGE AND TOTALS $2.4 MILLION. IT PROVIDES FACILITIES TO ACCOMMODATE THE MPS-36 RADAR INCLUDING EQUIPMENT PADS, A SUPPORT BUILDING, POWER GENERATING PLANT, SERVICE ROAD, FUEL STORAGE, AND REQUIRED UTILITIES. THE PROJECT INVOLVES RADAR TRACKING FACILITIES WHICH SUPPORT THE HIGH ENDOATMOSPHERIC DEFENSE INTERCEPTOR (HEDI)

PROGRAM WITH PRECISE TRACKING OF HIGH-SPEED MISSILES IN THE FIRST FEW SECONDS OF LAUNCH. THIS REQUIREMENT IS ESSENTIAL TO DETERMINE IF A MISSILE IS ON A SAFE TEST TRAJECTORY.

THE FY 1991 REQUEST FOR $3.65 MILLION IS FOR A LAUNCH FACILITY AT THE PACIFIC MISSILE TEST RANGE, BARKING SANDS, HAWAII, TO SUPPORT THE EXOATMOSPHERIC DISCRIMINATION EXPERIMENT (EDX) PROGRAM. THIS CONSTRUCTION PROJECT INCLUDES A SENSOR PAYLOAD ASSEMBLY AND MISSION CONTROL BUILDING, AND AN ENVIRONMENTAL SHELTER AND LAUNCH PAD FOR LAUNCHING THE ARIES SOUNDING ROCKET. THE EDX PROGRAM IS A SERIES OF EXPERIMENTS TO SUPPORT THE STRATEGIC DEFENSE INITIATIVE MID-COURSE DISCRIMINATION PROGRAM. THE ARIES SOUNDING ROCKET IS REQUIRED TO LAUNCH A LONG WAVELENGTH INFRARED (LWIR) SENSOR INTO THE EXOATMOSPHERE TO OBSERVE RE-ENTRY VEHICLES DURING THE MID-COURSE OF THEIR BALLISTIC TRAJECTORY FROM VANDENBURG AFB TO THE KWAJALEIN ATOLL. THE EDX LAUNCH COMPLEX IS REQUIRED TO POINT THE LWIR SENSOR AND TO RECORD AND RETRANSMIT THE DATA TO THE DISCRIMINATION SYSTEM ON KWAJALEIN. THIS DATA WILL ESTABLISH THE LWIR MID-COURSE DATA BASE REQUIRED FOR THE DESIGN OF GROUND AND SPACE BASED MID-COURSE SENSORS, AND FOR THE DEVELOPMENT AND TESTING OF DISCRIMINATION TECHNOLOGY.

THE REQUEST FOR $5.35 MILLION ASSOCIATED WITH THE MISTY ZEPHYR TEST SITE PROJECT IN FY 1991 WILL PROVIDE A COMPLEX FOR TESTING THE FULL SCALE THRUSTED NOVA SYSTEM WHICH I MENTIONED

EARLIER. CONSTRUCTION WILL INCLUDE THREE TEST STANDS AND VAULTS FOR THE THRUSTED NOVA GROUND TEST SYSTEM.

IN FY 1991, WE ARE ALSO REQUESTING $25.179 MILLION TO CONSTRUCT A SUPPORT COMPLEX FOR THE BOOST SURVEILLANCE AND TRACKING SYSTEM (BSTS). IT WILL BE LOCATED AT A CLASSIFIED CONTINENTAL U.S. LOCATION. THE OVERALL PROJECT INCLUDES A COMMUNICATIONS BUILDING, MECHANICAL BUILDING, DINING FACILITY, AND SECURITY ENTRY CONTROL BUILDING. THE MISSION REQUIREMENT FOR THIS PROJECT IS CLASSIFIED. HOWEVER, AT YOUR CONVENIENCE, I WILL BE HAPPY TO DISCUSS THIS PROJECT IN CLOSED SESSION OR PROVIDE APPROPRIATE CLASSIFIED BACKUP INFORMATION.

AS THE STRATEGIC DEFENSE INITIATIVE PROGRAM IS CURRENTLY HEAVILY INVOLVED IN THE RESEARCH AND DEVELOPMENT ASPECT OF PROGRAM DEVELOPMENT, WE HAVE CAREFULLY REVIEWED THE APPROPRIATE FUNDING AVENUE FOR OUR FACILITY PROJECTS. WE FIRMLY BELIEVE THAT THE PROJECTS WE'VE REQUESTED FIT THE PARAMETERS OF THE MILITARY CONSTRUCTION PROGRAM AS OPPOSED TO BEING SUPPORTED FROM THE RESEARCH AND DEVELOPMENT APPROPRIATIONS. THIS IS DUE TO THE NATURE OF THE INDIVIDUAL PROJECTS WHICH I DESCRIBED AND THE GENERAL UTILITY WHICH THEY OFFER TO OTHER ELEMENTS WITHIN THE OVERALL STRATEGIC DEFENSE INITIATIVE PROGRAM.

THE FUNDS REQUESTED FOR UNSPECIFIED MINOR CONSTRUCTION IN FY 1990 AND 1991 ARE REQUIRED FOR PROJECTS WHICH ARE UNDEFINED AT THIS TIME. OUR EXPERIENCE INDICATES THAT REQUIREMENTS OF THIS

NATURE AND MAGNITUDE WILL ARISE DURING THE FISCAL YEARS UNDER CONSIDERATION. PLANNING AND DESIGN FUNDS ARE ALSO REQUIRED FOR INITIAL AND FINAL DESIGN OF REGULAR AND MINOR MILITARY CONSTRUCTION PROJECTS.

IN SUMMARY, THE PROJECTS PROPOSED FOR FY 1990 AND 1991 AT NELLIS AIR FORCE BASE, THE PACIFIC MISSILE TEST RANGE, AND THE KWAJALEIN MISSILE RANGE ARE KEY ELEMENTS IN CONTINUING THE VIGOROUS SEARCH FOR ADVANCED DEFENSIVE TECHNOLOGIES AIMED AT FINDING WAYS TO PROVIDE NATIONAL SECURITY THROUGH ADVANCED STRATEGIC DEFENSIVE SYSTEMS.

THANK YOU MR. CHAIRMAN. I WILL BE HAPPY TO ANSWER ANY QUESTIONS.

PREPARED STATEMENT OF L.W. FREEMAN, DIRECTOR, REAL ESTATE AND FACILITIES, WASHINGTON HEADQUARTERS SERVICES, DEPARTMENT OF DEFENSE

Madam Chairwoman, members of the Subcommittee, I am Walt Freeman, Director of Real Estate and Facilities for the Washington Headquarters Services and I am pleased to appear before you today, to discuss the Department of Defense plans for the Pentagon and the specific items included in the Fiscal Year 1990 and 1991 Military Construction Program.

Background

The Pentagon was constructed over a 16 month period with funds authorized through the First Supplemental National Defense Appropriation Act, 1942. Although authorized and funded for the War Department, the building is under the management and control of the General Services Administration (GSA), and since the implementation of the Federal Buildings Fund (FBF) in 1975, the Department has been paying GSA for use of the building. Payments to GSA for the Pentagon alone have totaled over $560 million of which about 60 percent was spent to operate, maintain and protect the building. Because of increased charges based on local real estate values, the amount of this payment now returned to DoD for operation, maintenance and protection is about 45 percent.

Even though the Department paid GSA approximately $225 million more than the basic costs of operating, maintaining and protecting the building, GSA did not commit additional funds for improved maintenance or renovation. As a consequence, the 47 year old building has suffered from decades of neglect and poor maintenance, and this situation is not expected to change as long as GSA controls the building. Many building systems have deteriorated beyond the point of economical repair and will require total replacement. None of the original major building support systems have ever been replaced or significantly upgraded. The electrical, HVAC and plumbing systems need to be replaced to ensure service is provided to the building, to bring the systems up to modern standards, and to provide for increasing loads. Exterior repairs and window replacement will also be required.

The Pentagon Heating and Refrigeration Plant is even in a more serious state of deterioration and construction of a new plant is critical. None of the four original coal fired boilers are operational. The plant operates with a built-in oil fired boiler (circa 1973) and three rented oil fired package boilers. Only two of seven chillers are operable. The plant is operating with two 2,500 ton chillers and two 1,000 ton rented chillers. Interim repairs will be completed before the start of the cooling season.

Because of heightened concerns for security, the security perimeter of the Pentagon concourse was moved from the foot of the ramps to just inside the metro entrance, effectively enclosing the concourse within the security perimeter. Check points were temporally installed, with the permanent improvements planned as a follow-on project. The permanent security improvements are needed, especially since 40 percent of the employees (over 9,000) use the concourse entrance to the building.

Under an agreement with GSA, effective October 1, 1987, the Department was delegated the authority for the day-to-day operation, protection and maintenance of the Pentagon Reservation including the Pentagon, FB2 and the Pentagon Heating and Refrigeration Plant. The Department still makes payments to GSA and is rebated an amount GSA determines is necessary to cover operation, protection and maintenance costs.

In order to begin the critically needed replacement of the Pentagon

Heating and Refrigeration Plant and the renovation of the Pentagon the following items are included in the Fiscal Year 1990 and 1991 program. Specifically:

-- Pentagon Heating and Refrigeration Plant --

(FY 90 Design $4.0 million)

(FY 91 Construction $63.0 million)

The replacement of the Heating and Refrigeration Plant is the most critical capital improvement necessary at the Pentagon Reservation. The Department is undertaking interim repairs in order to continue operations until a new plant is available. Design funds are requested for FY 90 with construction following in FY 91.

Serves: Pentagon, Federal Building 2, and Henderson Hall (steam only)

- All four original coal-fired boilers are inoperable
- Currently, operating with one built-in oil fired boiler and three rented oil-fired package boilers (Rental is $1,020,000 per year)
- Only 2 of 7 chillers are operable; currently, operating with two 2,500 ton existing chillers and two 1,000 ton rented chillers (rental is $279,000 for 3 months). Programming repairs to all chillers.
- Architect/Engineer study in progress, will be completed in April 1989

- Will make recommendations for providing long-term reliable heating and cooling services
- Will evaluate co-generation and third party provision of services
- Implementation of recommendations planned for an FY 1991 start with a 30-month construction period

-- Concourse Security Improvements --

(FY 90 Design $1.3 million)

(FY 91 Construction $13.3 million)

The Pentagon Concourse is the main entrance to the building with about 40 percent of the employees (over 9,000) using the two concourse entrances. In addition to the employees, all tours and many visitors use the concourse entrance.

Recent international and national events created a demand for increased security resulting in temporary security improvement measures, including closing the concourse to the general public, the installation of metal detectors, and the construction of several temporary security stations. Design funds for the security improvements are in FY 90 with construction following in FY 91.

The proposed improvements include:

- o Construction of a central security station serving both entrances to the concourse
- o Improved waiting area for business guests, visitors and tour groups, with related telephones, restrooms and a gift shop
- o Improved circulation within the Concourse providing line-of sight viewing from the security station along the major circulation arteries
- o Relocation of some of the business tenants because of the improved circulation artery
- o Removal of asbestos
- o Heating, ventilation, air-conditioning, electrical and plumbing upgrading and rough-in for tenants

-- Pentagon Building Renovation --

(FY 91 First Increment Design $10.0 million)

As I previously mentioned, the Pentagon was completed in January 1943, and the facility is in an extremely poor state of repair and extensive renovation is required. The problems in the Pentagon include:

- o Heating, ventilating and air conditioning system has inadequate capacity, is inflexible (no interior zoning) and requires replacement
- o Electrical distribution system is outdated, wire closets and panels are overloaded

- There is no cable management system (communications and personal computers)
- Exterior surfaces in poor condition; steel casement windows won't close, leak air and water
- Basement on-grade floor slabs have deflected up to 12" out of level
- Primary office areas cannot be subdivided due to lack of interior air conditioning zone, resulting in inefficient spatial arrangements
- Hazardous asbestos materials exist in ceilings and at heating and air conditioning equipment

The renovation will be phased over a multi-year period with design of the initial increment in FY 91.

- Authority to begin design was delegated from the General Services Administration
- First phase (Concept Plan) of three-phase design effort in process, will be completed in March 1989 using O & M funds
- Renovations are being developed to meet the needs of modern automated administrative office functions
- Implementation of renovation is planned for an FY 1992 construction start in this 4,000,000 occupiable square foot facility

o Swing Space -- (Major Constraint)

The major constraint in the renovation of the Pentagon will be the availability and timing of the swing space needed for activities moved from the Pentagon while the renovation is underway. The specific amount of swing space needed is still being studied. A minimum of 800,000 square feet has been established for planning purposes. In this regard two options could be considered:

- Lease the Swing Space Needed
  - Would be the most costly option (over $150 million for the period of the Renovation)
  - Would be contrary to goal of decreasing use of leased space
  - Proximity of available leased space may not be near the Pentagon

- Pentagon Logistics Support Extension/FB2 Building

Under this option, either the Navy or the Marine Corps space in FB2 would be vacated by moving these functions to other government-owned space and this vacant space in FB2 would be used as swing space. Concurrent with this, as the first increment of renovation, a logistics support extension would be constructed below the elevation of the Mall entrance for all the service and support functions of the Pentagon. These two actions combined would provide the swing space needed.

- No need to lease space
- Improved security
- Improved service
- In the long range, after using FB2 as swing space, the site might be redeveloped to provide additional government-owned administrative facilities for the Department

PREPARED STATEMENT OF GEORGE J. HOFFMAN, DEPUTY DIRECTOR, RESOURCE MANAGEMENT, DEFENSE COMMUNICATIONS AGENCY (DCA)

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to review with you the Defense Communications Agency (DCA) Fiscal Years 1990 and 1991 Military Construction (MILCON) budget request. Our current biennial request proposes a total of $3.4 million for FY 1991 and nothing for FY 1990. The Agency's FY 1991 MILCON proposed budget continues modernization of our worldwide Defense Communications System (DCS) operations centers and improves the aging physical plant at the DCA Headquarters compound. I will now discuss our proposed facility improvements.

FISCAL YEAR 1991 MILCON PROGRAM

Our FY 1991 request for $3.4 million is comprised of two projects -- $0.8 million to modify and expand the DCA Pacific Region Area Communications Operations Center (ACOC) at Wheeler AFB, HI and $2.6 million to replace the warehouse storage facility at DCA HQs compound in Arlington, VA.

DCA-PAC Area Communications Operations Center Expansion

We are requesting $0.8 million to modify 5,100 square feet (SF) of existing space and to expand the existing Area Communications Operations Center (ACOC) at Wheeler AFB by 1,300 SF. This project is required to meet space, security and power requirements associated with the evolving DCS and reflects the Agency's ongoing efforts to engineer, operate and maintain joint DCS information systems that permit the National Command Authorities, CINCs and operational commands to employ forces consistent with national policy. In this light, our communications operations centers need to be responsive not only to the Agency's needs, but to those of our customers as well. Your past support of other communications center MILCON projects for DCA-Europe (RAF Croughton, United Kingdom and Patch Barracks, W. Germany) and DCA-Northwest Pacific (Yokota AB, Japan), have already helped us to move in that direction, and we appreciate that.

In recent years, the DCA-Pacific ACOC facility has been unable to keep pace with the implementation of new communications systems and equipments that are necessary to monitor, control and restore vital DCS circuits and systems throughout the Pacific region. Existing space does not allow for optimum operational configuration nor for dual operation of existing and replacement systems during periods of transition when parts of the new and old system must remain operational in a parallel configuration. In addition, because of severe space limitations, the Agency is unable to install additional workstations, display or communications equipment associated with new DCS systems such as the Integrated DCS System Control program.

The proposed project includes the reconfiguration of space, installation of raised flooring and drop ceilings, modification of air conditioning, fire protection, and red/black power systems to support the expanded area and allow for equipment installations. The project also includes installation of a new security access system and relocation of intrusion detection systems and closed circuit television monitors. Design efforts are underway, and we expect to achieve 35% design completion by June 1989.

DCA-HQS Replacement of Warehouse

We are also requesting $2.6 million in FY 1991 to construct a new 18,000 SF high-bay steel framed masonary warehouse facility with mezzanine level. This project is required to replace the 44-year old temporary metal quonset huts which are currently being used to provide on-site storage facilities for expendable and non-expendable office supplies, capital property, and communications and electronics (C-E) equipment. The facility is also used as a staging area for receipt, turn-in and processing of materiel. Irreparable corrosion of the quonset huts' exterior membrane has resulted in water leaks during inclement weather causing damage to warehouse contents as well as further structural damage. In addition, the existing facility can not provide even minimal climate control - temperature/humidity. The current heating system is antiquated, and there is no air conditioning system, thus subjecting sensitive C-E equipment to internal systems damage caused by prolonged exposure to extreme temperatures and excessive relative humidity levels.

The proposed warehouse replacement project includes required site preparation work and construction will include installation of electric, water, heating ventilation and air conditioning (HVAC), sewer, fire alarm, detection, and sprinkler systems. The proposed warehouse storage facility will be environmentally controlled, in part, and will provide limited office space areas for warehouse staff. The project has been included in the Master Plan for the Arlington Service Center currently under development by the Naval Facilities Engineering Command, Chesapeake Division (CHESDIV). Design work is underway, and we expect to attain 35% design status by May 1989.

Mr. Chairman, this concludes my prepared statement. I will be happy to answer any questions you or other members of the Subcommittee may have at this time. Thank you.

PREPARED STATEMENT OF KENNETH E. KINNAMON, D.V.M., PHD., VICE PRESIDENT FOR OPERATIONS, UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

The University was established in 1972 to train medical officers for the uniformed services and to provide programs in continuing education for military members of the health professions. Medical students are active duty commissioned officers in either the Army, Navy, Air Force or Public Health Service. It is anticipated that the majority of graduates will complete a full twenty-year career as a medical officer.

The University has produced a total of 1,048 medical officers for the operating uniformed services since its first graduating class in 1980. Each year, 165-170 new medical students start the four year curriculum. Graduates incur an obligation of seven years service after training is completed. Feedback from the field operating forces indicates that the University curriculum has effectively shaped them for the requirements of serving their nation. Their performance as uniformed medical officers is unsurpassed.

The current FY 1990 University request is for a $600,000 alteration to the present facility to provide a 3750 square foot Laser Biophysics Center. The purpose of the Biophysics Center is to conduct research and provide an academic focus on the medical applications of advanced laser technology. Medical applications of lasers has become a new and advancing technology in the diagnosis and treatment of disease and medical disorders. The medical school faculty must become and remain proficient and knowledgeable in this new technology if they are to continue to provide the highest quality educational program. Many clinical procedures have come to rely solely on lasers. It is therefore a mandatory teaching requirement in the Medical School Curriculum.

The facility alteration consists of excavating a previously backfilled area on the ground floor of the main building. The new laser laboratory and support spaces will be formed within existing walls and will result in a minimum of interruptions to present functional spaces.

For FY 1991 the University currently requests an $800,000 project to complete the conversion of 5,400 square feet of existing space to provide eleven secure biohazard animal rooms. These animal rooms have specialized construction features to permit biological research with biohazard substances. These animal rooms will contain special ventilation systems, floor drains, lighting, as well as floor and wall surfaces in addition to controlled entrance and exit sanitation and sterilization procedures.

The original design of the University animal facility did not include specialized animal rooms for studies involving biohazard substances such as infectious diseases, radioactive tracers and chemical agents. Because of the quality research being conducted as well as curriculum requirements for teaching medical students, specialized biohazard animal rooms have become a necessity. This requirement is being satisfied to a degree at present by using inefficient and unsatisfactory space in an existing animal facility.

PREPARED STATEMENT OF CAPT. RICHARD A. POWELL, USN, DIRECTOR FOR COMMAND SERVICES DIRECTORATE, DEFENSE NUCLEAR AGENCY

Mr. Chairman and members of the committee:

I am Captain Richard A. Powell, Director for Command Services Directorate, of the Defense Nuclear Agency (DNA). It is a privilege to testify on behalf of the Defense Nuclear Agency's current fiscal years 1990 and 1991 military construction request. The Defense Nuclear Agency is requesting authorization of $7.068 million for Fiscal Year 1990 and $12.945 million for Fiscal Year 1991. The Defense Nuclear Agency's request is for construction of six projects. Four of the projects are located on Johnston Atoll, which is in the Pacific Ocean, approximately 700 miles southwest of Hawaii, one at the Armed Forces Radiobiology Research Institute at Bethesda, Md., and one sited at Kirtland Air Force Base, New Mexico.

The Army has stored chemical munitions on Johnston Atoll since 1971. In 1985, the Army initiated construction of a Chemical Munition Demilitarization Plant commonly referred to as JACADS (Johnston Atoll Chemical Agent Disposal System). This program has tripled the Atoll population from 1983 to the present as well as increased the island's maintenance support requirements and quality of life requirements.

Four projects in our FY-1990/91 request are vital to the operation of this remote base:

The first fiscal year 1990 project, in the amount of $4.5 million, will provide a Power Plant Alteration project on Johnston Island. This project will rehabilitate the existing facility, procure two new generators, switchgear, and electrical conduits. Due to continuous operation and the age of the existing generators (25 years), the foundation pads and engine blocks have failed. Five of the seven generators are non-operational with the remaining two down-rated to 50% operating capacity. Repair is not cost effective. Because of the unreliability of the existing power plant, relocation of two 4,500 KW portable generators to serve as temporary backup was necessary.

The second FY90 project, in the amount of $1.668 million, will provide shoreline protection to the northern shore of Johnston Island. The construction of a concrete reinforced retaining barrier is required to ensure protection of this man made area from the constant wave action. The existing condition has caused substantial shore erosion as well as road failure. The present condition presents a safety hazard to Island personnel and equipment.

The third FY90 project, in the amount of $900,000 will provide a second story addition to a building used by our field operating element, the Armed Forces Radiobiology Research Institute (AFRRI), located at the National Naval Medical Center, in Bethesda, Maryland. This project will provide space for logistics, supply, and supporting shops (such as instrumentation and carpenter areas), now located in critical research laboratory capable areas. Additionally this project will extend existing mechanical, electrical and fire safety systems.

The first fiscal year 1991 project, in the amount of $4.650 million, will provide a High Energy Pulsed Radiation Facility. This tri-service testing facility will be used in the hardness evaluation of strategic missiles, satellites, and ground-based communication systems to nuclear x-ray radiation. Present laboratory simulators are not capable of producing the required radiation levels over required areas to meet survivability specifications.

The second fiscal year 1991 project, in the amount of $4.300 million, will provide a Civil Engineering Maintenance Facility on Johnston Atoll. This facility will replace existing metal shed type structures (constructed in 1955) used for base operations and maintenance. Materials are being stored outside due to the deteriorated condition of the existing facilities. This facility is needed to permit repair and maintenance of the Island's buildings, utilities, and operational facilities.

The third fiscal year 1991 project, in the amount of $3.995 million, will provide a new Community Support Complex for Johnston Island. This facility will centralize many of the various shops and services to a location convenient to all Island personnel. The complex will provide a full spectrum of exchange goods and services to all personnel in this isolated remote location.

In summary, we urgently need the requested projects for continued support of the critically important Army JACADS mission and maintenance of JA in compliance with OSD and Congressional mandates. We request authorization and appropriation for these six projects.

I appreciate this opportunity to appear before you to present the Defense Nuclear Agency's Fiscal Year 1990 and 1991 Military Construction request. I will be pleased to answer any questions you may have.

PREPARED STATEMENT OF DONALD B. SHYCOFF, DEPUTY COMPTROLLER, DEFENSE LOGISTICS AGENCY

Madam Chairwoman and members of the Subcommittee:

I am Don Shycoff, Deputy Comptroller of the Defense Logistics Agency (DLA). I appreciate the opportunity today to discuss DLA's programs and our current Fiscal Years (FYs) 1990 and 1991 Military Construction and Family Housing requests.

Overall Request

Our Military Construction request for FY 1990 is $99,516,000. It includes eight major construction projects at a total cost of $88,516,000 plus $11,000,000 for the construction of conforming storage facilities at various worldwide locations. In FY 1991, we are requesting $95,200,000. Included in our request are 15 major construction projects at a total cost of $80,200,000. The remaining $15,000,000 of our FY 1991 request is for conforming storage facilities. We are also requesting a Family Housing program of $820,000 in FY 1990 and $644,000 in FY 1991.

Madam Chairwoman, compared to our FY 1989 program of $44,380,000, this is a very large percentage increase in the current fiscal environment. However, in comparison to our existing structure, the size of our business, and the new requirements being placed on the agency, the amount of our request is probably still too low. DLA's overall budget is down 1% in real terms. However, the condition of our facilities and our overall facilities requirements are such, that we decided we had to make the front end investments now, if we are going to meet our responsibilities with the constrained resource situation we are sure to face in the future. I hope I can convince you and the committee that our request represents a worthwhile investment in readiness, productivity, and the protection of the environment.

The readiness of our military forces depends, among other things, on prompt response on DLA's part to their demands for our materiel. As I will try to illustrate, the materiel we provide them is essential to their operations. To meet their demands, we have an urgent need for increased capacity. Our current warehouses, approximately 70 percent of World War II vintage, lack the configurations, due to low ceiling heights and close columnar spacing, to accommodate modern mechanized systems or increased volume. In addition, most of our warehouses are operating at 95 percent capacity.

In the area of productivity, I believe the record demonstrates that this agency has done very well in achieving productivity savings. I am convinced that we can do a lot more, and we are committed to doing so. In building the budget requests for FY 1990 and FY 1991, we estimated that our workload would be level with FY 1989, but that our employees in the primary mission areas would be 5 percent more efficient. We intend to do this by making up front investments in operating equipment, office automation equipment, and real property maintenance projects. We are trying to provide our employees with the tools and the environment that will foster increased efficiency. These are all near-term solutions. In the long-term, we need to expand, upgrade, and replace our current facilities.

Finally, regarding the environment, the most difficult challenge we face today is our responsibility to contract for the ultimate disposal of hazardous and toxic material. I'm not talking about ammunition and nuclear waste, but paints, solvents and the like which can damage our environment. In our continued efforts to conform to the Resource Conservation and Recovery Act of 1976, we continue to experience delays in obtaining permits. Thus, our budget request is well below our overall requirement.

DLA Workload

Our workload reflects the demands placed on the Agency by its Military customers. We buy, store, and issue just about all of the fuel, food, uniforms and textiles, and medical supplies. In total, DLA manages over 60 percent of the consumable items in DoD. During FY 1988 DLA received about 29 million service requisitions; bought and sold $10.8 billion worth of supplies; awarded over 1.4 million contracts through our Supply Centers; received and shipped 20.4 million line items at our Supply Depots; made payments of $51 billion to contractors, while processing nearly 2 million invoices.

Items we manage are used by every major weapon system in our operating force. The Military Services have identified about one-third of the items we manage as being critical to the operations of these weapons systems. Those items represent approximately 50 percent of the requisitions we receive.

We perform Contract Administration Services for DoD, NASA, and certain other federal agencies. In doing so, we deal with approximately 30,000 contractors. This involves assuring that the contractor's total performance is in accordance with contractual commitments, assuring contractual quality requirements are met, and paying contractor invoices.

We also operate the Federal Catalog system, which provides descriptive and technical information on over 5 million items to DoD and other users. In addition, we have recently been assigned responsibility for managing the National Defense Stockpile.

Our responsibility for management of the reutilization and marketing of excess Department of Defense property involved the receipt and disposal of over 6.6 million items during FY 1988.

In summary, DLA is not an administrative agency that develops policy, and issues guidance. We issue supplies which we have bought and stocked. We do the action, hands-on work that I have described. As such, we are an integral part of the Military Services' logistics readiness system.

Detailed Justification

Now that I have provided you with some background on our overall mission, let me discuss how our FY 1990 and FY 1991 Military Construction requests support essential DoD programs, respond to concerns about the environment, and strive to increase the efficiency of this agency.

Approximately 50 percent of our FY 1990/1991 program is in support of our depot operations. We operate six supply depots which store and issue food, clothing, medical supplies, and most of the hardware items needed by our Armed Forces. In the past several years, the number of DLA-stocked items has grown due to increased item delegations from the Services. Storage space occupancy is following the same general course. DoD standards recommend no more than an 85 percent occupancy rate for a warehouse to allow for necessary operating space. Our average occupancy rate is now at 95 percent. This significant increase in materiel in storage without a commensurate increase in available storage space, has caused operational problems, impeded efficiency efforts and reduced inventory accuracy. The critical shortage of available space necessitates expending additional resources to rewarehouse materiel in order to accommodate incoming stocks. Where possible, we are currently obtaining more efficient use of our warehouse space through increased use of modern storage aids. As previously noted however, many of our warehouses were designed and constructed over 45 years ago, and cannot be configured to use modern hi-rise pallet and rack storage systems. In addition, the age and general deterioration of these facilities results in high annual repair and maintenance costs.

Because we have experienced increased storage requirements, we have included in our Military Construction budget request $43 million in FY 1990 and $50.7 million in FY 1991 for various major depot projects. These projects will alleviate a portion of the critical shortage of adequate storage space. As part of our multi-year systematic plan to replace our outmoded and substandard warehouses, we have included three storage facility projects in FY 1990. These projects are located at our depot in Tracy, California, our depot in Columbus, Ohio, and our depot in Richmond, Virginia. At Tracy, California, we are requesting a Subsistence Warehouse. This proposed 388,696 SF facility will allow us to consolidate all Troop Issue subsistence and semi-perishable Direct Commissary supply support for 13 western states, Alaska, Hawaii and the Pacific area. The project is a high bay storage facility that will greatly enhance the efficiency of operations and reduce operating expenses. Currently, this materiel is stored in a WWII warehouse located at the Alameda Annex of Naval Supply Center, Oakland (over sixty miles from Tracy), and two WWII warehouses at the Tracy depot. The Alameda facility is in a serious state of deterioration and is planned for demolition by the Navy, necessitating our relocation. Consolidation of the subsistence mission at one site will free up over 560,000 SF of warehouse space at the depot for non-subsistence supply operations, improve operational efficiency, and partially alleviate our critical space shortage. The project will also save transportation expenses by elimination of the need to move materiel the sixty miles to the Alameda Annex.

At Columbus we are proposing to construct a 200,000 SF Bulk Materiel Warehouse. Currently, incoming bulk stocks are stored in three separate warehouses on the depot. Two are WWII and one is of WWI construction. They are not suited for application of modern storage aids due to their low ceiling and columnar supports. This also restricts the use of forklifts and the separation of the function prohibits efficient operations by requiring excessive intra-depot movement of materiel.

At Richmond our program includes construction of a 119,265 SF Hazardous Materiel Warehouse. The number of items classified as hazardous to the environment continues to grow. As this list expands, it increases the amount of conforming storage space DLA needs to comply with EPA standards. Our Richmond depot is the east coast distribution center for flammables, corrosives, oxidizers, reactive and poisonous types of hazardous materiels used by the Services in the eastern states and Europe. This project would eliminate the use of noncompliance storage space and free-up existing warehouse space for other purposes.

In our FY 1991 budget proposal, we are requesting $41.7 million to continue our planned replacement of outmoded warehouses through construction of a general purpose warehouse at our Tracy depot, and two general purpose warehouses at our depot in Mechanicsburg, Pennsylvania, and a general purpose warehouse at our Memphis, Tennessee depot.

Also at our Mechanicsburg depot, we are requesting $1.1 million to upgrade and expand the facility used for repair and overhaul of industrial plant equipment. This equipment is used by the Services in shipyards and rework facilities to maintain major weapons systems, and is a national reserve for industrial expansion during mobilization. Our FY 1991 request also includes $2.12 million for covered and open storage in support of our increasing lumber supply mission at Mechanicsburg.

We are also requesting two facilities for consolidation and upgrade of maintenance and repair functions. At our Tracy depot we are asking for $950,000 to provide a new maintenance facility for repair of vehicles, materiel handling equipment and railroad switch engines. It will replace a 1942 facility that has deteriorated beyond economic repair. At our Richmond depot we are requesting $4.9 million for a consolidated maintenance facility that supports not only a more mechanized depot system but also a collocated supply center. Currently, the maintenance facility consists of two remote and separate locations causing long distance hauling of mechanical/industrial equipment. This results in loss of maintenance personnel time in pickup and delivery, increases repair time for preventative maintenance, and causes lost productivity in depot operations due to equipment failure. The consolidation would also release over 35,000 SF of prime warehouse space.

For our Defense Reutilization and Marketing Offices, we are seeking $2,750,000 in FY 1990 and $3,400,000 in FY 1991 for their upgrade. This includes major projects at our CONUS offices in Eglin, Florida; Anniston, Alabama; Stockton, California; and Ft. Jackson, South Carolina. There is a need to upgrade existing facilities and provide new facilities for the reutilitzation and marketing offices to carry our the disposal and reutilization mission. These projects all provide new covered storage space as well as open storage areas. Materiel at these offices is currently being stored either outside where it is exposed to the elements and, therefore, looses some of its resale value, or in warehouses which are inadequate for efficient storage and handling of excess property.

Approximately 25 percent of our FY 1990/1991 program is in support of the fuel facilities operations. DLA is the DoD worldwide manager for wholesale bulk petroleum, oil, and lubricants (POL). In connection with this responsibility, our request includes $25,300,000 in FY 1990 and $21,700,000 in FY 1991 for POL facilities - storage tanks, a fuel pier, a fire protection system, and an automated pipeline.

For FY 1990, our fuel projects include replacement of a fuel pier and automation of a petroleum pipeline. At the Defense Fuel Support Point, Manchester, Washington, we have a project to provide a new fuel pier to accommodate newer tanker-type vessels for fueling operations. This pier will replace one which is structurally unsound. The present pier is still usable for loading and unloading fuel, but due to the corrosion the structural integrity of the pier has been reduced so much that when winds exceed a velocity of 40 knots, tankers must "stand off" thus interrupting fuel delivery/receipt operations. In addition, we are anticipating increased Manchester traffic due to the expected closing of Defense Fuel Support Point pier at Mukilteo, Washington, in June 1989. Increased usage will put an additional strain on the already weakened structure.

At the Defense Fuel Support Point, Searsport, Maine, we plan to provide centrally controlled automation, as well as security improvements, to the Searsport/Loring Air Force Base 200-mile long pipeline. Automation will permit a reduction in pump station personnel as well as guard and security forces. We expect the project to pay for itself within five years.

In FY 1991, we plan to construct replacement fuel tankage as well as a fire protection system. Our fuel tankage project will be at Norfolk, Virginia, the largest fuel support point in the United States, annually handling over 20 million barrels of fuel for the Navy, Coast Guard, and Army. The project will replace twelve underground fuel tanks which have serious water infiltration and fuel leakage problems. The facility does not conform to current Environmental Protection Agency (EPA) requirements and is a growing environmental hazard. This project also includes the decommissioning of the replaced tanks to be filled with sand to comply with EPA regulations, and the removal of buried piping system associated with these tanks.

At the Defense Fuel Support Point, Jacksonville, Florida, we plan to replace a 35 year old fire protection system, which is inadequate in size and capacity for fighting tank fires. The current state of the system constitutes a safety hazard with a potential for losses of large volumes of fuel and storage capacity. This project will bring the terminal into conformance with applicable federal, state, and local regulations.

Since 1980, DLA has been tasked with disposing of hazardous waste generated by DoD and with constructing facilities for the temporary storage of hazardous waste in conformance with federal and state environmental regulations. Our request for conforming storage facilities at some of our Defense Reutilization and Marketing Offices located around the world include $11,000,000 for FY 1990 and $15,000,000 for FY 1991, approximately 12 percent of our program for each year. We continue to find it difficult to forecast exactly which facilities will receive construction permits in any given year. Through FY 1991, we anticipate $36,000,000 in projects being ready for award but are requesting only 70% of our expected program due to the permit uncertainty. As in prior years, we are requesting single line item approval so that we can award projects as we receive permits. We will continue to notify the appropriate committees prior to the construction of each project.

Finally, our Military Construction request reflects our efforts to modernize our facilities and improve working conditions at our supply centers and Defense Contract Administration Services Regions. We believe that these investments will result in higher morale and increased productivity; hence, improved readiness. These efforts include a new ADP facility in Columbus, Ohio, and demolition/paved parking in Philadelphia, Pennsylvania ($17,400,000) in FY 1990, and the rehabilitation of a Contract Administration building in Chicago, Illinois in FY 1991.

The project at Columbus will house the ADP operations of three separate DLA activities: the Defense Construction Supply Center, the DLA Systems Automation Command, and the DLA Automated Information Processing Center. The existing ADP facilities are inefficient and deteriorated beyond economic repair. These facilities were converted in 1961 from the original warehouses that were built in 1942. Ventilation is a constant problem and could eventually cause equipment failure. There is no additional space available to accommodate the programmed ADP operational mission.

The project at Philadelphia will demolish an existing 70 year old warehouse at the Defense Personnel Support Center, which is structurally unsound and a potential health and safety hazard. Due to the location of this Center, costs for disposal and asbestos removal are exceptionally high. It will also convert the vacant area into a secured parking area for the employees.

The facility at the Defense Contract Administration Services Region in Chicago, where we are a tenant of the 928th Air Force Reserve located on the airfield of O'Hare International Airport, is in extremely poor condition. The working conditions are very bad due to inadequate electrical wiring to support the mission. Poor lighting, exposed duct work, ADP cabling, and wire-mesh walls have been cited as fire and safety hazards. This overcrowded facility is both functionally unproductive and bad for employee morale. If we expect our employees to increase productivity by 5 percent per year, we must do our part in providing decent working conditions. Therefore, we plan to do a complete renovation of this facility in FY 1991.

Family Housing

Our Family Housing request for FY 1990 is $646,000 in operation and maintenance authority and $173,000 in construction authority. We have substantially increased the number of maintenance and construction projects in our effort to improve our 70 family housing units. Fifty-two of these units were built prior to 1960 and are in need of renovation and a general upgrade to improve the quality of life for the military families residing in the facilities we manage. In FY 1991, we are requesting $601,000 in operation and maintenance and $43,000 in construction authority. Madam Chairwoman, this is our obligation to continue to overcome past neglect on our few installations.

Summary

In closing, our military construction requests for both FY 1990 and FY 1991 will result in the improved efficiency of our operations and in the increased readiness of the Armed Services. Madam Chairwoman, I would like to say again that I appreciate the opportunity to be here today and I will be pleased to answer any questions you or the Subcommittee members may have.

PREPARED STATEMENT OF CRAIG L. WILSON, DIRECTOR, INTELLIGENCE RESOURCES AND TRAINING, OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (COMMAND, CONTROL, COMMUNICATIONS AND INTELLIGENCE)

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I APPRECIATE THE OPPORTUNITY TO TESTIFY IN SUPPORT OF THE MILITARY CONSTRUCTION PROJECTS FOR THE DEFENSE LANGUAGE INSTITUTE AS IDENTIFIED IN THE CONGRESSIONAL JUSTIFICATION BOOK FOR FY 1990-1991 CONSTRUCTION FOR DEFENSE AGENCIES (TITLE IV). THIS REQUEST ALSO APPEARS IN THE TACTICAL INTELLIGENCE AND RELATED ACTIVITIES BUDGET SUBMITTED TO THE SELECT INTELLIGENCE COMMITTEE; THE DEFENSE FOREIGN LANGUAGE PROGRAM IS CONSIDERED AN INTELLIGENCE RELATED ACTIVITY.

THE FY 1990 MILITARY CONSTRUCTION REQUEST OF $16.7 MILLION WILL FUND THE CONSTRUCTION OF A GENERAL INSTRUCTION FACILITY AND AN ACADEMIC AUDITORIUM FOR THE DEFENSE LANGUAGE INSTITUTE (DLI), PRESIDIO OF MONTEREY, CALIFORNIA. THE GENERAL INSTRUCTION FACILITY WILL PROVIDE CLASSROOMS AND INSTRUCTIONAL SUPPORT ROOMS FOR 800 STUDENTS. THE ACADEMIC AUDITORIUM WILL PROVIDE A GENERAL ASSEMBLY AND LECTURE HALL WITH SEATING FOR 1500 STUDENTS, FACULTY, AND STAFF. THE FY 1991 REQUEST FOR $16.1 MILLION WILL FUND THE CONSTRUCTION OF AN OUTDOOR ATHLETIC FACILITY, AUDIO/VISUAL INSTRUCTION FACILITY AND A PRINT PLANT. I WILL ADDRESS EACH OF THESE REQUESTS IN GREATER DETAIL.

THE GENERAL INSTRUCTION FACILITY WILL REPLACE SUBSTANDARD CLASSROOM BUILDINGS ON THE INSTALLATION AS WELL AS RENTED PUBLIC

SCHOOL PROPERTY AT OFF-POST LOCATIONS. IT WILL ALSO FACILITATE TRAINING CONSOLIDATION RESULTING FROM CONGRESSIONALLY-DIRECTED ACTIONS NOT OTHERWISE FUNDED. THE CURRENT SUBSTANDARD WOODEN BUILDINGS WERE CONSTRUCTED IN 1903 AND 1911 AS CALVERY STABLES AND BARRACKS. THEY LACK ADEQUATE HEATING, LIGHTING, VENTILATION, SANITARY FACILITIES, AND FIRE PROTECTION. FACILITIES NOW IN USE DO NOT PROVIDE THE FACILITIES NECESSARY FOR INTENSIVE FOREIGN LANGUAGE TRAINING. DLI IS MODERNIZING ITS TEACHING TECHNIQUES AND COURSE PREPARATION TO KEEP PACE WITH CONSTANTLY INCREASING TRAINING IN NEW MISSION AREAS, SUCH AS DRUG ENFORCEMENT AND TREATY VERIFICATION. IN ADDITION, THE DLI WAS DIRECTED BY CONGRESS TO EVACUATE AN OTHERWISE EFFECTIVE TRAINING ANNEX AT THE PRESIDIO OF SAN FRANSISCO WHICH PUT A STRAIN ON ALREADY INADEQUATE FACILITIES. DOD RESPONDED BY INVESTING APPROXIMATELY $900,000 IN THE TEMPORARY RESTORATION OF THE OLD STABLES/BARRACKS SO THAT THEY COULD CONTINUE AS TRAINING FACILITIES; BUT THESE CANNOT LAST AND MUST BE REPLACED. TOTAL COST FOR THE GENERAL INSTRUCTION BUILDING IS $10.6 MILLION.

THE OTHER MAJOR PROJECT FOR FY 1990 IS THE CONSTRUCTION OF AN ACADEMIC AUDITORIUM FOR $6.1 MILLION. CURRENTLY, STUDENT ASSEMBLIES AND ACADEMIC MEETINGS ARE HELD IN A SUBSTANDARD SHEET-METAL BUILDING CONSTRUCTED IN 1935 AS A CAVALRY STABLE. FIRE REGULATIONS LIMIT THE SEATING CAPABILITY TO 469. A NEW AUDITORIUM IS NEEDED FOR INDOCTRINATIONS; LECTURES; PRESENTATION OF TRAINING PROBLEMS; CULTURAL, ETHNIC, AND COMMUNITY EVENTS; FACULTY AND STAFF TRAINING; GRADUATIONS; AND COMMAND FUNCTIONS AND

ACTIVITIES. THE "TIN BARN" WILL ONLY SEAT NINE PERCENT OF THE COMBINED STUDENT-FACULTY POPULATION. THE PROPOSED NEW CONSTRUCTION WILL, AT LEAST, ALLOW FOR THE ASSEMBLY OF APPROXIMATELY 30 PERCENT OF THIS COMBINED GROUP. BOTH OF THESE FY 1990 PROJECTS ARE INTEGRAL COMPONENTS OF THE APPROVED DLI TEN-YEAR MASTER PLAN.

OUR FY 1991 REQUEST IS FOR $6.1 MILLION. THIS WILL BE USED TO FULFILL THREE KEY SUPPORT REQUIREMENTS WHICH ARE ALSO PART OF THE TEN-YEAR MASTER PLAN. THE FIRST OF THESE IS A $2.1 MILLION TROOP SUPPORT PROJECT. IN FY 1985, DOD REQUESTED, AND CONGRESS APPROVED, THE CONSTRUCTION OF A $9.8 MILLION PHYSICAL FITNESS CENTER. THE FINAL APPROPRIATION REDUCED THE ORIGINAL REQUEST BY $2.0 MILLION (TO $7.8), RESULTING IN THE ELIMINATION OF ATTENDANT ATHLETIC FIELDS. CURRENTLY, MILITARY PERSONNEL ARE UNABLE TO PARTICIPATE IN MANY OUTDOOR SPORT ACTIVITIES BECAUSE OF THE LACK OF FACILITIES. IN EXCESS OF 4500 MILITARY STUDENTS AND PERMANENT PARTY COMPETE FOR THE USE OF ONE DOUBLE UNLIT TENNIS COURT, ONE FOOTBALL FIELD, ONE TRACK, AND TWO NON-REGULATION, IMPROVISED SOFTBALL DIAMONDS. THIS PROJECT WOULD ALLOW FOR THE CONSTRUCTION OF MUCH NEEDED OUTDOOR ATHLETIC COURTS AND FIELDS, AND THE RENOVATION OF EXISTING FACILITIES. THE TOTAL CAPABILITY, EVEN AFTER THIS CONSTRUCTION, REMAINS WELL BELOW THE AUTHORIZED DOD STANDARD.

OTHER KEY TRAINING SUPPORT PROJECTS FOR FY 1991 INCLUDE A REQUEST FOR $2.25 MILLION FOR AN AUDIOVISUAL INSTRUCTIONAL MEDIA

FACILITY AND $1.8 MILLION FOR A FIELD PRINTING PLANT. CURRENTLY, THESE FUNCTIONS ARE SPREAD OVER SEVERAL SUBSTANDARD FACILITIES. STUDENT TRAINING REQUIREMENTS ON CAMPUS CONTINUE TO GROW AS DO DOD-WIDE LANGUAGE MAINTENANCE SUPPORTING REQUIREMENTS. RESIDENT AUDIOVISUAL AND PRINTING CAPABILITIES ARE REQUIRED TO SUPPORT DAILY INSTRUCTOR-DEVELOPED TRAINING AIDS INCLUDING VOICE AND AUDIOVISUAL TAPES. THESE MEDIA MUST BE PRODUCED IN ASSOCIATION WITH FAULTY AND STAFF WHO HAVE THE FOREIGN LANGUAGE ABILITY REQUIRED. CURRENTLY, THE DLI PRODUCE TRAINING AIDS IN 30 LANGUAGES AND MAJOR DIALECTS. PRESENT FACILITIES DO NOT EFFECTIVELY SUPPORT THE MISSION.

AGAIN, THANK YOU FOR THE OPPORTUNITY TO OUTLINE THE NEEDS OF THE DEFENSE LANGUAGE INSTITUTE. OVER THE LAST TEN YEARS, WE HAVE, WITH YOUR SUPPORT, FOLLOWED OUR MASTER PLAN. PREVIOUS ENHANCEMENTS, AS WELL AS THOSE PROGRAMMED, HAVE ALLOWED US TO KEEP THE PHYSICAL PLANT IN A POSITION TO SUPPORT THE ACADEMIC IMPROVEMENTS AND THE EVER EXPANDING MISSION.

PREPARED STATEMENT OF THE NATIONAL SECURITY AGENCY

STATEMENT FOR THE RECORD

The National Security Agency appreciates the opportunity to present our Fiscal Year 1990 and 1991 budget request for Military Construction and Family Housing.

Our primary focus for these two fiscal years is to upgrade existing utilities at the Fort Meade complex to provide the necessary electric power and chilled water to support the tremendous growth in computers and other electronic equipment. These projects are essential to our expanding intelligence mission. Two projects in FY 1990 include an electrical distribution upgrade for the Operations Building #1 ($2,323,000) and a 3,000-ton chiller plant to provide the chilled water necessary to cool state-of-the-art computer systems ($14,000,000) which are being installed. There are 3 projects in FY 1991 that will continue the infrastructure upgrade effort. An upgrade to a high voltage substation ($5,125,000), and seven new low voltage substations ($8,221,000) will provide enough reliable electric power to the Operations Building #1 to support the growing demand of the supercomputers and other electronic equipment. Two new 800-ton cooling towers for Operations Building 2A will enable the chillers to operate at full capacity to meet the demands of the electronic equipment in that building ($1,500,000).

Another FY 1990 project will provide for the installation of a sprinkler system in Operations Building #1, to protect our personnel and sophisticated electronic equipment ($5,121,000). Two other FY 1991 projects will provide a $3,300,000 building addition project (FY 1991) at Fort Meade, which will provide space to the Service Cryptologic Elements supporting the Agency's mission, and a $2,250,000 earth terminal site preparation project to support new communications requirements.

Our program also includes two projects at an overseas site. An FY 1990 project will provide a building addition to provide space for the station's expanding mission ($23,000,000), and an FY 1991 project will provide sufficient water supply to support the station's operations and residential facilities.

Family Housing/Defense Appropriations funds are required in FY 1990 ($9,769,000) and FY 1991 ($10,054,000) to satisfy the housing needs of our civilian and military personnel assigned to overseas locations.

We have also provided statements on each project, many of which are classified.

Mrs. **Schroeder**. Well, thank you all very, very much. With that we adjourn the hearing.

[Whereupon, at 2:50 p.m., the subcommittee was adjourned, to reconvene subject to the call of the chair.]

FISCAL YEAR 1990-1991 MILITARY CONSTRUCTION AUTHORIZATION—MEMBERS OF CONGRESS

House of Representatives,
Committee on Armed Services,
Military Installations
and Facilities Subcommittee,
Washington, DC, Monday, March 20, 1989.

The subcommittee met, pursuant to notice at 11:05 a.m., in room 2212, Rayburn House Office Building, Hon. Patricia Schroeder (chairwoman of the subcommittee) presiding.

STATEMENT OF HON. PATRICIA SCHROEDER, A REPRESENTATIVE FROM COLORADO, CHAIRWOMAN, MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

Mrs. Schroeder. Well, I'm calling the hearing to order and saying one of my very favorite people is here this morning. He's such a favorite person, I even go down to his district whenever I get a chance. He's always very kind and generous.

Let me state, we've been pondering President Reagan's defense budget, since that's the only thing that we have right now. The part allocated to military construction and family housing, we feel is very inadequate. Under the Reagan proposed budget, military construction and family housing sunk to 2.8 percent of the defense budget in fiscal year 1990, and 2.81 in fiscal year 1991. That is down from 3.1 in prior years. So, it's a substantial drop.

The initial is more one of relative shares. In constant dollars, we find that it is—military construction is down 18 percent, which is a large amount. The family housing budget is up a little bit, but not very much. New housing construction is down 33 percent. So, we're troubled by all of those numbers.

There are two reasons we feel that military construction is very important. The Department of Defense has an infrastructure worth half a trillion dollars, which is an awful lot of money. A responsible property manager knows that, to maintain the value of your property, you really should reinvest at a rate of 3 to 5 percent a year. This has not been happening. We've been reinvesting at less than 1 percent a year. So, by private sector, or any other criteria, we're in big trouble.

Second, we think that the ability of the military to fight stems from good morale. Where they work and where they live is one of the most important issues. So, letting military construction fall behind certainly does not help in the morale issues.

Our indications are that the Bush budget is going to shave even more from each category, and will not reorder these priorities. We believe that it's going to be up to the Congress to set more rational priorities and to fully fund military construction at real year 1987 dollars. To do that, it would require about $7 billion, an increase of $1.7 billion over the Reagan budget, which is going to be very tough to do.

So, obviously, we're having to look at all these different things. The gentleman from Florida knows all of this, because he's been watching it in all the other areas. So, one more time, we've got tough choices in front of us.

We welcome you, and Congressman Martin will be here a little later. Congressman Blaz, did you have anything you wanted to say for an opening statement?

Mr. **Blaz**. No, I don't. But, I'm sure I will.

Mrs. **Schroeder**. Terrific. Of course, our distinguished Chairman, Congressman Montgomery. So, the floor is yours, Mr. Bennett.

STATEMENT OF HON. CHARLES E. BENNETT, A REPRESENTATIVE FROM FLORIDA

Mr. **Bennett**. Thank you very much and thank you for this opportunity to testify before you on a matter of importance to the Navy: An Industrial Berthing Wharf for the Naval Station, Mayport, Jacksonville, Florida.

The Naval Station has submitted a military construction project P-509A, which will be to construct a 1,000-foot wharf of sufficient depth to accommodate any ship homeported at Mayport. The estimated cost of approximately $20 million has caused extended slippage in the project, theoretically, because there is no doubt that this wharf is cost-effective and of extreme importance to the Navy's operation.

Berths with sufficient draft to accommodate carriers and cruisers now assigned to Mayport are limited. When one of these ships undergoes a repair availability, the berth is encumbered for 2 months or more. This encumbrance severely reduces the Naval Station's flexibility to berth operational ships. If multiple ships are undergoing repair, the problem is magnified several fold. An additional problem results because these berths are remotely located to shipyard and maintenance facilities. The logistics and time lost in transporting personnel, material and other equipment to the ships under repair costs the Navy $2 million each year.

Mayport became homeport in 1987 to four of the Navy's newest and most modern ships. These AEGIS and SPRUANCE Class ships cannot be accommodated at existing wharves because of insufficient water depth and electrical power. This results in another less-recognized problem: Extended periods away from homeport, which has a dramatic negative impact on family lives of married personnel. This problem would be increased if ships were forced to leave Mayport for lengthy repair availabilities elsewhere.

The project is now programmed for fiscal year 1992, or 1993—I've heard recently. But, the merits of this, both in cost savings and logistics, would warrant it being bumped back to fiscal year 1990. This project will result in financial benefits to the Navy in terms of logistical and operational cost savings in having a berthing wharf dedicated to maintenance and repair. It will provide the capability for more complex repair work. The financial benefits to the Navy in terms of logistical and operational cost savings in having a berthing wharf dedicated to maintenance and repair are substantial. As I mentioned, the overall savings are about $2 million a year. Furthermore, this will help support the Chief of Naval Operations initiative to improve the family lives of married personnel.

Again, finally, Madam Chairwoman, I appreciate your allowing me to testify before the committee. You're doing a great job as Chairwoman, and I'm delighted to look forward to working with you in the months and the years ahead. I submit for the record, also, a correspondence with former Chairman Ron Dellums.

PREPARED STATEMENT OF HON. CHARLES E. BENNETT, A REPRESENTATIVE FROM FLORIDA

Madam Chairwoman, thank you for the opportunity to testify before you on a matter of importance to the Navy: An Industrial Berthing Wharf for the Naval Station Mayport in Jacksonville, Florida.

The Naval Station has submitted Military Construction Project P-509A, which will construct a 1,000-foot wharf of sufficient depth to accommodate any ship homeported at Mayport. The estimated cost of approximately $20 million has caused extended slippage in the project, as theoretically, because there is no doubt that this wharf is of extreme importance to the Navy's operation at Mayport.

Berths with sufficient draft to accommodate carriers and cruisers now assigned to Mayport are limited. When one of these ships undergoes a repair availability, the berth is encumbered for 2 months of more. This encumbrance severely reduces the Naval Station's flexibility to berth operational ships. If multiple ships are undergoing repair, the problem is magnified several fold. An additional problem results because these berths are remotely located to shipyard and maintenance facilities. The logistics and time lost in transporting personnel, materials and equipment to the ships under repair costs the Navy over $2 million each year.

Mayport became homeport in 1987 to four of the Navy's newest and most modern ships. These AEGIS and SPRUANCE Class ships cannot be accommodated at existing wharves because of insufficient water depth and electrical power. This results in another less-recognized problem: Extended periods away from homeport, which has a dramatic negative impact on the family lives of married personnel. This problem would be increased if ships are forced to leave Mayport for lengthy repair availabilities.

The project is now programmed for fiscal year 1992, but the merits of this (both in cost savings and logistics) would warrant it being bumped back up to fiscal year 1990. This project will result in financial benefits to the Navy in terms of logistical and operational cost savings in having a berthing wharf dedicated to maintenance and repair. It will provide the capability for more complex repair work. The financial benefits to the Navy in terms of logistical and operational cost savings in having a berthing wharf dedicated to maintenance and repair are substantial. Furthermore, this will help support the Chief of Naval Operations initiative to improve the family lives of married personnel.

Again, Madam Chairwoman, I appreciate your allowing me to testify. You're doing a great job as Chairwoman, and I look forward to working with you in this capacity in the weeks and months to come. I submit for the record correspondence I had on this matter last year with former Chairman Ron Dellums.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, March 28, 1988.

Hon. CHARLES E. BENNETT,
House of Representatives, Washington, DC.

DEAR CHARLIE: I regret that your letter of March 17, 1988, requesting to testify concerning an industrial berthing wharf at Naval Station Mayport arrived after March 15, the day we received testimony from Members of Congress.

Given the budget constraints we faced this year, it was not possible to accommodate such a sizable request; however, we will ask the Navy to verify the requirement for this wharf and to include it in the fiscal year 1990 budget request if priorities permit.

Sincerely,

RONALD V. DELLUMS, *Chairman,*
Subcommittee on Military Installations and Facilities.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, March 17, 1988.

Hon. RONALD V. DELLUMS,
Chairman, Subcommittee on Military Installations
and Facilities, Washington, DC.

DEAR RON: I write requesting an opportunity to testify before you on a matter of importance to the Navy: An Industrial Berthing Wharf for the Naval Station Mayport in Jacksonville, Florida.

The Naval Station has submitted Military Construction Project P-509A, which will construct a 1,000-foot wharf of sufficient depth to accommodate any ship homeported at Mayport. The estimated cost of approximately $20 million has caused extended slippage in the project, as theoretically, more urgent operational requirements supplanted P-509, I say theoretically, because there is no doubt that this wharf is of extreme importance to the Navy's operation at Mayport.

Berths with sufficient draft to accommodate carriers and cruisers now assigned to Mayport are limited. When one of these ships undergoes a repair availability, the berth is encumbered for 2 months of more. This encumbrance reduces the Naval Station's flexibility to berth operational ships. If multiple ships are undergoing repair, an additional problem results because these berths are remotely located to shipyard and maintenance facilities. The logistics and time lost in transporting personnel, materials and equipment to the ships under repair costs the Navy over $2 million each year.

Mayport became homeport in 1987 to four of the Navy's newest and most modern ships. These AEGIS and SPRUANCE Class ships cannot be accommodated at existing industrial repair wharves because of insufficient water depth and electrical power. This results in another less recognized problem: Extended periods away from homeport, which has a dramatic negative impact on the family lives of married personnel. This problem would be increased if ships are forced to leave Mayport for lengthy repair availabilities.

The project is now programmed for fiscal year 1992, but the merits of this (both in cost savings and logistics) would warrant it being bumped back up to fiscal year 1989. This project will result in financial benefits to the Navy in terms of logistical and operational cost savings in having a berthing wharf dedicated to maintenance and repair. It will provide the capability for more complex repair work. Furthermore, this will help support the Chief of Naval Operations initiative to improve the family lives of married personnel.

Ron, I'd appreciate a chance to testify about this important project before your subcommittee. Can you let me know what the chances are for that? I look forward to hearing from you soon.

With kindest regards, I am

Sincerely,

CHARLES E. BENNETT.

Mrs. SCHROEDER. Well, we thank you very much for your being here and for the long record that you've had on working on this. Do you know what priority the Navy has put on this?

Mr. BENNETT. My understanding is that it's—as of this morning, I was told by your staff, that's in fiscal year 1993. I really do not know. They undoubtedly are behind in a lot of things they must do. Since the Navy has told me both nationally and locally this will save $2 million a year, I think I'd not be a very good Congressman if I didn't come here——

Mrs. SCHROEDER. You're right.

Mr. BENNETT. And present the case to you. I realize you have to look at other projects. A way to look at other projects is, how long people have been waiting for them and how many emotional situations it may cause people because of family disruption and things like that. Another element is the cost effectiveness of it. This is a very cost effective project. In that field, it's very valuable. It has some value with regard to personnel, because it means that families can be together a little better.

But, the cost effectiveness of a $2 million saving per year is pretty substantial, it seems to me. I think the Navy would back that up, because they're the ones that gave me the figure. They would say that they would surely like to do it. Whether you can do it or not, is a question of what your rules are imposed by your committee. I know you'll do the best you can. That's all I'm asking.

Mrs. SCHROEDER. We sure will. We also have responsibility this year for burden-sharing, for the first time. So, one of the ways we're going to be looking at this budget, is what we're spending domestically, what we're spending overseas, and whether some of the things that we're spending overseas—whether we have a realistic expectation of still being there 5 years from now; which I think is a good policy to look at when you're talking about pouring concrete. So, we may be back with you to look at some ideas, as we try and struggle to set priorities.

Mr. BENNETT. That's a good idea I think. A good idea. In the first place, all that real estate that we develop abroad is eventually going to be an asset to that foreign country anyway.

Mrs. SCHROEDER. That's right.

Mr. BENNETT. It seems like to me that they ought to buy it and build it, and let us have it.

Mrs. SCHROEDER. With dollars getting so tight, that's the only way we see to cope. Congressman Blaz?

Mr. BLAZ. No comment.

Mrs. SCHROEDER. Congressman Montgomery?

Mr. MONTGOMERY. Thank you, Madam Chairwoman. I thank Charlie for being here. I think it looks like military construction is being hit harder than most of the other elements of Defense. As I understand it, it's a reduction of 8 percent, basically, of what we got last year. So, Charlie was certainly taking a look at it, and trying to work it out.

Mr. BENNETT. That's all I'm asking. I'm not going to fall out with any of you all if you do not make it available. I know there's nothing personal about it. I just feel like when the Navy has told me they're losing $2 million a year because they haven't done this, it's a very cost effective project. It does help the morale of the personnel. You're just going to have to sift it out with the other things you have. I know you'll do your best.

Mrs. SCHROEDER. It makes a lot of sense to us.

Mr. BENNETT. That's all I ask. Thank you very much.

Mrs. SCHROEDER. Thank you. The next distinguished witness we have this morning is our colleague from Arkansas, Congress Bill Alexander, who we always are glad to have here. Who always presents us with all sorts of good stuff. So, we welcome you and we're pleased to have you here.

First, I should say, too, that a member of this committee, Congressman Jim Bilbray, has very good testimony he wants me to enter in the record. I will.

[Statement of Mr. Bilbray is at the end of the day's proceedings.]

The floor is yours.

STATEMENT OF HON. BILL ALEXANDER, A REPRESENTATIVE FROM ARKANSAS

Mr. ALEXANDER. Thank you very much, Madam Chairwoman and members of the committee. I would like to submit my entire testimony for the record and make a few comments.

Mrs. SCHROEDER. Without objection.

Mr. ALEXANDER. I have a deal for you today.

Mrs. SCHROEDER. Uh-oh.

Mr. ALEXANDER. Because I am only asking for one project. It is a $2.7 million civil engineering shop facility, which is scheduled to replace the last World War II hangar that is now being used for that purpose. There is a lot of engineering activity taking place at Eaker Air Force Base, formerly Blytheville Air Force Base, which engineering activity needs to be consolidated. There needs to be a place to house a good bit of their equipment, which is now out in the weather. We need to eliminate and remove this old hangar, which is somewhat of a hazard. Because of the Budget constraints, I've only asked for this one project. There are many you can ask for at any air base or any military facility, but I certainly understand the problems and constraints that the committee is operating under. I'm a Member of the Appropriations Subcommittee for Military Construction. I understand what we are dealing with, which is the same that you're dealing with. In recognizing all those problems, I couldn't come to you in good conscience and ask for something that I know you couldn't do.

This one project is important because one, it would eliminate a hazard, and second, it would consolidate engineering activities, and in effect, save money on the base. That's why we need it. Now, the intent is to utilize a design that is 100 percent complete at another facility. The site adapted wouldn't cost more than about 10 percent. So, it's about 90 percent complete in its design. Can be qualified under the requirement for design minimum.

Mrs. SCHROEDER. You think the reason it's being held up is just the budgetary constraints?

Mr. ALEXANDER. Nothing else. We would have done it sooner, but it's been my policy to only ask for a few things each year and to spread out the improvements and modernization and so on, in a rational way. I've not been able to bring myself to come up and ask for a new Light Brigade, and a new Wing, and all those sorts of things that some people manage to get away with. But, I want to maintain the test of reasonableness. I think this is reasonable. I think it's necessary. I think it will save the military money to do it, or I wouldn't be here.

Mrs. SCHROEDER. Well, we really appreciate what you're saying. Since you're on the Appropriations Committee, you, too, know the incredible squeeze. It's been a bigger squeeze than any other part. Maybe, you can help us look at the allocation of off-shore versus on-shore, too.

Mr. ALEXANDER. Sure.

Mrs. SCHROEDER. Because, I think we've got some tough questions to ask about that. Off-shore is up.

Mr. ALEXANDER. I think we ought to meet together and talk about it.

Mrs. Schroeder. I do, too.

Mr. Alexander. Because that way we can get together in advance before we get to the floor, and make some choices.

Mrs. Schroeder. I think so. We would really like to work with the Appropriations Committee, and I think we've got some very interesting priorities that have been sent us, and I do not think they're necessarily ours. So, we appreciate working with you.

Mr. Alexander. They never are.

Mrs. Schroeder. Congressman Blaz, do you have any questions?

Mr. Blaz. I was going to remark, but I'm sure that he's just made us an offer we cannot refuse.

Mrs. Schroeder. That's right.

Mr. Alexander. You know a deal when you see one, right?

Mr. Blaz. That's all I have.

Mrs. Schroeder. That's wonderful. Congressman Montgomery, do you have any questions?

Mr. Montgomery. Thank you, Bill. I had to step outside. I'm sorry I missed that good deal.

Mr. Alexander. If you want me to recite it over again, I can do that for you.

Mr. Montgomery. I was telling Bill Dickinson you had a good deal, and he said, let's get in and hear about it. Madam Chairwoman, Mr. Bilbray's (from Nevada) statement was put in the record, and I wanted to point out something I've been talking about for years. That is, sharing agreements between the Veterans' Administration and the Military Medical, that we can give better service to both groups, the active, the reservists and dependents.

Mr. Bilbray has pointed out that in this Budget, it's requested for $62 million for its share of the costs on an Air Force hospital at Nellis. It will be shared with the VA, and VA will put up part of the money. So, this is a step in the right direction, Pat, and I just wanted to point that out for the record on VA Military Sharing Agreement. It certainly will save the taxpayers money, as well as this Subcommittee on Military Installations and Facilities. It will be done at Nellis Air Force Base, if we can come up with the sharing agreement over on the Veterans' Administration side.

Mrs. Schroeder. Wonderful. Congressman Dickinson?

Mr. Dickinson. Thank you, Madam Chairwoman. I regret I was late getting here, and I was reading as rapidly as possible, as my finger would move. Trying to read what it is we're being offered here.

Mr. Alexander. You do not need to read it. I'll explain it to you.

Mrs. Schroeder. Trust him. Trust him.

Mr. Dickinson. Well, if you would explain it to me now. Was this in the Air Force request—is this Air Force, first?

Mr. Alexander. Is it what?

Mr. Dickinson. Air Force.

Mr. Alexander. Yes. This is the Air Force request at Eaker Air Force Base, which is the 97th Bombardment Wing, near Blytheville, Arkansas.

Mr. Dickinson. Was this in the Air Force request, but it just fell out of the budget later, or do you——

Mr. **Alexander**. Oh, they never put anything in there for my base, because they know I'm going to take care of it. That's the way it works.

Mr. **Dickinson**. Well, it doesn't cost them anything like that. Alright. Well, I need to talk to you about a couple of projects I've got going down there, too.

Mr. **Alexander**. Alright. We can work on that.

Mr. **Dickinson**. I have no further questions, Madam Chairwoman. Thank you.

Mrs. **Schroeder**. Thank you very much. Well, we appreciate your being here.

Mr. **Alexander**. Thank you.

PREPARED STATEMENT OF HON. BILL ALEXANDER, A REPRESENTATIVE FROM ARKANSAS

MADAM CHAIRWOMAN and members of the Subcommittee, thank you for giving me the opportunity to appear before you today on behalf of Ira Eaker Air Force Base, Blytheville, Arkansas.

First, Madam Chairwoman, I want to take this opportunity to wish you well in this your first congressional session as leader of the Subcommittee. In view of the contributions you have already made during your service in the House, I am sure that you will be a worthy successor to the persons who have held this post before you and that in it you will continue to make important contributions to the work of the House and the Congress.

Now, I would like to ask that I be permitted to summarize my statement and to have my full statement made a part of the Subcommittee's hearing record.

The base at Blytheville has been renamed since I last appeared before your subcommittee. Last Spring, with the support of the local community, the Air Force changed the name from Blytheville Air Force Base to Ira Eaker Air Force Base, Blytheville, Arkansas. This change honors General Ira Eaker who was both an early hero and early leader of the Air Force.

SUMMARY

I come before you today with just one authorization request. That is for the authorization of construction of a $2.7 million civil engineer shop facility at Eaker Air Force Base. As military construction goes, this project is not a large one, but it is an important one.

The project would permit the consolidation of some civil engineering activities at Eaker, would provide protection for the federal investment in both equipment and supplies which can not now be sheltered, would allow direct access to mission critical areas, and would improve efficiency and working conditions. It would continue the ongoing modernization at Eaker, particularly the portion of that program directed at locating activities in purpose built facilities and out of World War II, so-called "temporary" buildings.

As both a member of the House and a member of the Committee on Appropriations, I am sensitive to the difficult military construction authorization choices facing the Subcommittee and the full Committee in these times of tight budgets. It is because of the urgent need for this project that I ask for your favorable consideration of its authorization in Fiscal Year 1990. The project is not included in the President's budget request.

CIVIL ENGINEER SHOP FACILITY

Currently, because of the configuration of existing available space, the civil engineering shop activity is not appropriately located in relationship to mission critical facilities such as runways, taxiways and apron. Due to existing available space constraints, not all the civil engineering pavements and grounds activities at Eaker can be consolidated. Additionally, only a portion of the equipment and supplies which need to be sheltered can be stored in covered areas.

Also, a portion of the civil engineering activity, because of available space limitations, must now be housed in a World War II vintage, temporary hangar which is long past its designed service life. Working conditions for this portion of the activity particularly are severely restrictive because the activity must share the hangar with two contractors who store paint supplies in the building.

The project would provide a 31,000 square-foot facility which --

* would permit the consolidation of all pavement and grounds activities;

* would be located to provide direct access to mission critical areas of taxiway, runway and apron;

* would permit the sheltering of equipment and supplies which need such protection but can not now be provided it; and,

* allow increased efficiency of operations.

In addition, the project could save scarce military construction dollars by site adapting an existing design for a similar facility. Since there is available an existing design which can be site adapted to the project, the design certainly can be considered to comply with the 35 percent completion status requirement.

Delay in constructing this project would force the civil engineering activity to try to provide the level of service needed at the base in spite of inadequate facilities rather than aided by good facilities.

EAKER HAS A WINNING TRADITION

Eaker is the home of the 97th Bombardment Wing and the 97th Support Group of the Strategic Air Command (SAC), an Air Force hospital and 17 tenant activities.

The base and personnel assigned at Eaker have established a tradition of winning Air Force recognition and accolades for superlative performance of their duties. In the past year alone, they have earned SAC's coveted Omaha Trophy and the 97th Bombardment Wing has been presented the Air Force Outstanding Unit Award for meritorious service for performance in the July 1, 1986 through June 30, 1986 performance.

That kind of commitment, dedication and performance deserves the kind of modern, purpose built, efficient facility the proposed civil engineer shop would provide.

So, again, I urge that the Subcommittee and full Committee give favorable consideration to my request. And, thank you again for affording me the opportunity to be heard by you today.

Mrs. **SCHROEDER**. We like deal-makers from the Appropriations Committee. Thank you. We're waiting for another Member who is on his way, but maybe, what we could do is proceed on with one of the other witnesses who's here. I see General France, and he's one of my great favorites. So, I'm going to pull favoritism. I hope you do not mind.

Mr. **MONTGOMERY**. What State is he from?

Mrs. **SCHROEDER**. Would you believe Mississippi? No. Colorado, obviously. General France, why don't we welcome you to the front and center.

General **FRANCE**. Thank you.

Mrs. **SCHROEDER**. He's the Vice President of the National Guard Association of the United States, so I knew you wouldn't mind too much, Sonny, if we moved him front and center. Why don't we have you go ahead since we're running a little ahead of schedule, and we can get you in and on your way, if you need to. General, we welcome you and we're glad to have you here.

STATEMENT OF MAJ. GEN. JOHN L. FRANCE, VICE PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

General **FRANCE**. Thank you, Madam Chairwoman. As you said, I am the Vice President of the National Guard Association. I'm truly honored to be here today to appear before you and share the views of the Association. I'm also the Adjutant General of the State of Colorado, so I have some, at least, experience with both the Army and the Air National Guard. I'm also familiar with both State and National issues.

I'll be very brief. I just wanted to tell you about a couple of our critical concerns, and of course, any questions you may have. I'll be available to answer.

Our main concern is the growing backlog of construction projects, and the impact on readiness. At the end of this fiscal year, the Army National Guard will have some 1,800 projects that amount in this year's dollars to $2.7 billion. The Air National Guard will be approaching $1 billion in backlog. We have been given, over the past few years, approximately $150 million each year to meet these demands. That $150 million has just barely met the new mission criterion, where we have had new missions, new equipment, and the support with construction that that has required. So, the backlog continues to grow.

We feel that we need to fund these new missions. They've been given to us by the Air Force, by the Army, some by Congress. So, we have accepted them, feel that we can become combat ready with those new units, but we need your support. We also need to reduce that backlog. To do so, we're asking for $150 million for each of the components—for the Army National Guard and for the Air National Guard—over and above the new mission requirements. My full statement, that was submitted on the 16th of March, contains a list of candidate projects that will show that it will raise the total combined to about $250 million for each of the components, Army and Air National Guard.

We also need to talk a little bit about minor construction. The same thing holds true, in a lesser number of dollars, of course. But, right now, the Army National Guard has more than 800 projects that they need to get going. A good example of that is in the Firing Range Program. We began a program that was funded with $5 million this year for indoor firing ranges.

The big problem has been meeting the OSHA requirements, which, I feel, definitely is a requirement—the lead in the air, etc. Almost all of our indoor firing ranges across the country are inadequate, and they can't meet those requirements. So, we feel we need to have an ongoing program to catch up with that requirement. So, we have asked in the 1991 Budget for $15 million and we'd like you to consider $10 million for 1990. There was no money in the 1990 Budget for that particular issue.

The Air National Guard has a backlog of $2.5 million in construction, in minor construction. Basically, that arises from the fact that new requirements have been placed on us to include two lines of alert, instead of one, with KC-135s, swapping out F-4s and F-106s for F-16s and F-15s, and of course, the OSHA requirements that go along with those. I'm sure you're aware of that.

A couple of examples I might give you of new missions and old missions, really, in Colorado, of course, which I am most familiar. In Eagle, Colorado, we have developed a high altitude training site for helicopters. We have never had a training site in the United States above 6,000 feet, and we found that there was a critical need, given the kinds of terrain that our people might be asked to go to in the event of a conflict. It's been rather amazing to see the people who fly helicopters at sea level, and combat training kinds of missions, to bring them to Eagle, and fly in 1.2 million acres of land that we have agreements with BLM and the Forest Service, and get above timberline, 14,000 feet—it's vastly different, as you might imagine the environment is.

We have trained people there in the last 14 months since we began our school, strictly on our own, I might add, from, of course, Colorado. The Army got involved with their instructor pilots from Fort Rucker. We've trained National Guard units from Oklahoma, from Arkansas, Texas, South Carolina. Currently, the Alabama National Guard is up in our mountains training. They're going to be followed at the end of this month by groups from Kansas. It's going to be an ongoing thing. That is an issue of a new mission.

Old—we have two armories that are actually falling down around our ears in Colorado. I have shared with Ms. Moore some of the 35 percent design information for an armory at Durango and one at Trinidad. Those are medical units. They're housed currently in old car barns that were given to us. One is at the fairground at Durango, which is a disaster. So, we're hoping that we will be able to get into that backlog of major construction. That's happening all over the United States, which accounts for the $2.7 billion backlog for the Army National Guard.

We know, as has been said by previous witnesses here, the deficit problems, the Defense Budget being cut back, and across this Nation with the 3,300 units we have. We, in the National Guard, are well aware of that. We just want to, one more time, I guess, tell you that the National Guard is a good deal for the defense of this country. We're very proud of the fact that we're combat-ready in most of our units. We want to stay that way. We sincerely need your help.

PREPARED STATEMENT OF MAJ. GEN. JOHN L. FRANCE

INTRODUCTION

Mr. Chairman, and members of the subcommittee, I sincerely appreciate this opportunity to present the views of the National Guard Association of the United States on the FY 1990 and 1991 military construction programs of the Army and Air National Guard.

In the past our Association has been primarily concerned with filling the shortages in manpower, equipment and facilities that exist within National Guard forces. This year we again have a potentially more significant concern -- that is the possible loss of highly trained personnel and overall combat capability, if budget and deficit reduction actions result in force structure cuts in the National Guard and Reserve.

We certainly understand the desire to reduce the deficit. We also recognize the need to maintain the most effective mix of active, Guard and Reserve forces. However, our nation's leaders must be certain that near term, and possibly temporary, budget reduction actions do not reverse or eliminate much of the progress made during the past decade in improving the quality and effectiveness of our combat forces.

During the 1980s, few changes have been made in the size of our defense forces -- that is in to the number of combat units and associated manpower -- except for some growth in the Navy. The majority of the defense effort has been devoted to improving the quality of both the personnel and equipment in the Total Force. Those efforts have paid off in significant improvements in defense readiness, although some manpower shortages and substantial equipment and facility shortages remain. We are concerned that current actions being taken to reduce the deficit will result in a permanent loss of a large number of highly trained personnel, for which we have worked so hard to recruit and retain in recent years.

GOALS AND OBJECTIVES

The overall goal of the National Guard Association of the United States is to maintain the freedom and security of this nation by guaranteeing a strong national defense, primarily through the provision of a vital and dynamic National Guard as a part of the Total Force.

To achieve that goal, we believe the National Guard must be given the manpower, equipment and facilities necessary to meet the readiness requirements of the units and missions currently assigned to the Army and Air Guard. Additional units and missions should be assigned only if the necessary resources are provided along with the tasking and if the missions can be performed in a cost-effective and combat effective manner in the best interests of the Total Force.

Our purpose today is to identify what we believe are the most critical deficiencies in providing the necessary maintenance and training facilities to National Guard units.

THE FY 1990/1991 MILITARY CONSTRUCTION PROGRAMS

The military construction projects included in the Army and Air National Guard budget requests are the minimum essential for peacetime training, equipment maintenance, and resource management.

The military construction budget request for the Army National Guard is $125.0 million in FY 1990 and $138.4 million in FY 1991. It provides:

	FY 1990	FY 1991
Major Construction	$112,700,000	$126,975,000
Minor Construction	7,500,000	7,500,000
Planning and Design	4,800,000	4,025,000

The FY 1990 program will build, upgrade or expand 27 armories and provide for construction of 46 other major construction projects in 33 states.

The military construction budget for the Air National Guard is $164.6 million in FY 1990 and $107.2 million in FY 1991. The requests includes:

	FY 1990	FY 1991
Major Construction	$155,600,000	$97,500,000
Minor Construction	2,500,000	2,500,000
Planning and Design	6,500,000	7,200,000

The FY 1990 program will provide 93 projects in 37 states at 55 installations. Over two thirds of the major construction program is in support of new mission force growth and modernization. The balance is to replace and upgrade antiquated current mission facilities and utility systems.

The specific proposals of the National Guard Association for FY 1990 to ensure adequate facilities are available, to accommodate mission changes, and to enhance the readiness of the National Guard are outlined below.

CONSTRUCTION BACKLOG

The most critical facilities issue facing the Army and Air National Guard which impacts on readiness is the growing backlog of unfunded construction projects. By the end of FY 1990, the Army Guard unfunded total will be more than $2.6 billion and the Air Guard unfunded projects will total approximately $1.1 billion.

Congressional funding of additional projects in FY 1989 was certainly helpful. Completion of those projects will eliminate at least a small portion of the current mission facility backlog.

Although we recognize the magnitude of the task of attempting to reduce the budget deficit, the National Guard Association is again recommending an increase to this year's major construction budget requests. We support the proposals made the past several years by Congress to increase the overall share of the Defense Budget devoted to Guard and Reserve construction. We believe the level of funding should be sufficient to fully fund new mission requirements and begin to reduce the backlog. Further delay in halting and reversing the growing backlog in construction requirements will have an expanding negative impact on Total Force readiness.

The technology of training devices and simulators, along with budget constraints on training days, travel and other resources, is causing training to shift back into the Army National Guard armory. While this enhances the value of armories, it exacerbates the impact of deteriorating armories and lack of storage and training facilities on sustaining training and readiness. Armory repair, upgrades and modification are a significant part of the growing backlog.

We believe the major construction budget requests of the Army and Air National Guard provide funding for only the most critical facility requirements. Indeed, the current level requested will result in a further increase in backlog in both components and will cause a further deterioration of existing facilities.

The National Guard Association strongly recommends an increase in both requests, to provide approximately $250 million to each in order to begin a gradual decrease in the backlog of construction projects. We urge your support of the full budget requests and of the attached list of additional projects to reduce the backlog. We also urge that the FY 1991 program be expanded to replace those projects accelerated into FY 1990 and to raise the FY 1991 total to $250 million each to continue the reduction in the backlog of current mission projects.

MINOR CONSTRUCTION

The Army National Guard Minor construction backlog is currently almost $150 million. That total includes a $54 million program to bring approximately 800 ARNG armory indoor rifle ranges up to OSHA health and safety standards. A report on that program was transmitted to Congress as directed last year. However, because of budget constraints no funding is included in the FY 1990 budget for this program.

The Air National Guard minor construction budget should be increased from $2.5 million to $5 million in FY 1990. This increase is needed to finance a series of urgent projects generated as a result of recent force structure changes.

The National Guard Association urges your support of an additional unspecified minor construction authorization of $12.5 million in FY 1990 in order to continue elimination of the Army National Guard backlog of indoor rifle range and other training support facility projects and to cover the Air National Guard force structure changes. The range program is included in the FY 1991 request at a level of $12.76.

SUMMARY

Mr. Chairman, I have discussed the FY 1990 and 1991 Army and Air National Guard Military Construction programs and indicated our concern with the growing backlog of critical construction requirements.

We fully support all projects included in the Army and Air National Guard Military Construction budgets. However, we believe it is essential that additional projects be authorized and funded in FY 1990, but not at the expense of FY 1991 projects already prioritized and justified in the budget.

We urge your support of an increase in Army and Air National Guard construction funding in both years to a total of approximately $250 million in each program, so that we can begin to make some progress in reducing the growing current mission facilities backlog. For the future, we support establishment of a baseline for current mission requirements on top of which funding for new mission requirements would be added.

We also urge support for an additional $12.5 million of minor construction funding in FY 1990 to continue the indoor rifle range modernization program and for force structure changes. These are areas that are directly related to combat readiness and should be completed as quickly as possible.

Mr. Chairman, we are grateful for the past support of you and the members of this subcommittee. We share equal concerns for improving the readiness of our total defense forces and we look forward to your continuing support in the future.

Proposed Additional Projects for FY 1990 Military Construction Budget of the ARNG and ANG

- Projects to be accelerated from FY91 request:

State	Location	Project	Cost ($ thousands)
Alabama			
Army National Guard			
	Selma	Armory, Training and Storage	1,429
	Selma	Organizational Maint Shop	577
Air National Guard			
	Dannelly	Add to NDI and Welding Shop	350
Alaska			
Air National Guard			
	Kulis	Fire Suppression System	3,950
Arizona			
Air National Guard			
	Sky Harbor	Composite Support Facility	1,800
	Tucson	Add to Aircraft Parking Apron	4,250
	Fort Huachuca	Composite Deployment Support Fac	2,350
Arkansas			
Army National Guard			
	Camp Robinson	Trng Site, Troop Complex	4,125
	Camp Robinson	PEC, Quarters, PH VII	6,084
Air National Guard			
	Fort Smith	Taxiway	380
	Fort Smith	Add to and Alter Fire Station	640
Florida			
Army National Guard			
	Tallahassee	Armory, Training and Storage, Add/Alt	720

Air National Guard		
Camp Blanding	Base Supplies/Equipment Whse	1,100
Camp Blanding	Comp Gen Spt and Training Fac	2,250
Georgia		
Army National Guard		
Jackson	Organizational Maint Shop, Add/Alt	400
Air National Guard		
Hunter	Mobility Storage Warehouse	300
Illinois		
Air National Guard		
Greater Peoria	Fuel Systems Maint/ Corrosion Control Facility	2,000
Indiana		
Army National Guard		
Camp Atterbury	State Military Academy	4,798
Air National Guard		
Hulman	POL Ops and Laboratory	275
Iowa		
Army National Guard		
Denison	Armory, Training and Storage	989
Maine		
Air National Guard		
Bangor	Fire Suppression System	850
Maryland		
Air National Guard		
Martin	Alter Composite Support Fac	345
Massachusetts		
Air National Guard		
Barnes	POL Operations Facility	280

Michigan		
Army National Guard		
Wayne County	Armory, Training and Storage	2,000
Wayne County	Organizational Maint Shop	470
Minnesota		
Army National Guard		
Minneapolis	Armory, Training and Storage	1,864
Missouri		
Air National Guard		
Rosecrans	Alter Ops and Training Fac	1,200
Rosecrans	Add to Aircraft Welding Shop	300
Mississippi		
Air National Guard		
Gulfport	Comm-Electronics Training Fac	2,300
Gulfport	Add to and Alter AGE Vehicle Maintenance Facility	1,150
Gulfport	Add to and Alter Base Engr Maintenance Facility Fac	520
Gulfport	Alter Base Supply Warehouse	230
Key Field	Aircraft Maint Dock	10,000
Thompson	Base Civil Engr Fac	1,600
Thompson	Comp Medical Training and Security Police	1,500
Nevada		
Air National Guard		
Reno	Composite Dining/ Medical Training Facility	2,400
New York		
Air National Guard		
Schenectady	Aeromedical Evacuation Tng Fac	1,600
Suffolk	Fire Detection/ Suppression System	1,400

North Carolina		
Army National Guard		
Clinton	Armory, Training and Supply	1,583
North Dakota		
Air National Guard		
Hector	Alter Maintenance Hangar	900
Hector	Munitions Maintenance & Storage Complex	2,100
Oregon		
Army National Guard		
Camp Rilea	Range, ARF (Rets)	925
South Carolina		
Air National Guard		
McEntire	Add to and Alter Communications Facility	550
Tennessee		
Army National Guard		
Winchester	Armory, Training and Storage	1,023
Smyrna	Combined Support Maint Shop	5,270
Fayetteville	Armory, Training and Storage	780
Tullahoma	Range, Modified Record Fire (MRF)	483
Air National Guard		
McGhee-Tyson	PMEC Administrative Support Fac	2,400
Texas		
Air National Guard		
Ellington	Alert Facilities	2,400
Utah		
Logan	Armory Training and Storage Add/Alt	788
Washington		
Air National Guard		
Camp Murray	Add to Dining Hall	310
Camp Murray	Add to Vehicle Maintenance	315

New projects to be added:

Alabama		
Army National Guard		
Elgin AFB	Range, Mutipurpose, Upgrade	3,295
Air National Guard		
Birmingham	Upgrade Taxiway	470
Hall	Vehicle Storage Facility	330
Arizona		
Army National Guard		
Showlow	Organizational Maint Sub Shop	467
Arkansas		
Army National Guard		
Camp Robinson	C-12 Hangar	300
Benton	Armory, Training and Storage	914
Air National Guard		
Fort Smith	Munitions Maintenance Facility	2,100
California		
Army National Guard		
Camp Roberts	Range Rehab KD	300
Air National Guard		
Fresno (deferred from FY86)	Fire Suppression System	1,000
Ontario	Alter Bldg 5	380
Buckley	Power Check Pad	700
Connecticut		
Army National Guard		
Camp O'Neill	Trng Site, Bks/Adm/Sup/ Lat PH II	2,876
Air National Guard		
Bradley (deferred from FY86)	Fire Suppression System	1,000

Florida		
Army National Guard		
St. Augustine	Armory, Training and Storage	2,332
St. Augustine	Organizational Maint Shop	320
Camp Blanding	Range, Mout Assault Course	300
Wauchula	Armory, Training and Storage	1,077
Illinois		
Army National Guard		
Williamson County	Armory, Training and Storage	2,152
Williamson County	Organizational Maint Shop	440
Indiana		
Army National Guard		
Fort Wayne	Armory,Training and Storage	1,750
Fort Wayne	Organizational Maint Shop	483
Camp Atterbury	Trng Site, Facility PH 6B	4,550
Camp Atterbury	Range, Night Fire	286
Camp Atterbury	Range, AFF (Rets) Upgrade	369
Kansas		
Army National Guard		
Fort Riley	Mob and Training Equip Site Exp	5,733
Louisiana		
Army National Guard		
Amite	Armory, Training and Storage	900
Bogalusa	Organizational Maint Shop	687
Camp Beauregard	Organizational Maint Shop	637
Lafayette	Organizational Maint Shop	599

Maine		
Army National Guard		
Bog Brook-Riley	Range, 50 M Baffled 10M/M60 Machi	334
Maryland		
Army National Guard		
Annapolis	Armory, Trng and Storage Add/Alt	994
Dundalk	Armory, Trng and Storage Add/Alt	1,106
Hagerstown	Armory, Trng and Storage Add/Alt	1,322
Michigan		
Army National Guard		
Camp Grayling	Trng Site, Waste Trmt Plant	3,283
Camp Gayling	Trng Site, BOQ	940
Taylor	Motor Vehicle Storage Bldg	742
Wayne County	Motor Vehicle Storage Bldg	796
Minnesota		
Army National Guard		
Brainerd	Motor Vehicle Storage Bldg	519
Camp Ripley	USPFO Addition	558
Mississippi		
Army National Guard		
Flowood (Jackson)	USPFO Addition	590
Missouri		
Air National Guard		
Lambert	Alter Engine Shop	.400
Nevada		
Army National Guard		
Carson City	Combined Support Maint Shop	3,100
Carson City	Organizational Maint Shop	676
New Jersey		
Air National Guard		
McGuire	POL Operations Facility	500

New Mexico		
Army National Guard		
Santa Fe	Combined Support Maint Shop	2,132
Santa Fe	USPFO, Warehouse	905
North Carolina		
Army National Guard		
Camp Butner	Range, Modified Record Fire (Rets)	1,000
Fort Bragg	Mob and Trng Equip Site Pavement	2,600
Raleigh	USFPO Addition	2,100
Air National Guard		
Charlotte	Composite Maintenance Hangar	10,000
Charlotte	Add to and Alter Fuel Cell/Corrosion Control Dock	2,400
Charlotte	Add to and Alter Squadron Operations	600
Ohio		
Air National Guard		
Rickenbacker	Power Check Pad	700
Oklahoma		
Army National Guard		
Norman	Armory, Training and Storage	870
Oregon		
Army National Guard		
Umatilla Army Depot	Range, 300 Meter KD Complex	400
Pennsylvania		
Army National Guard		
Fort Mifflin	Organizational Maint Shop	339
Puerto Rico		
Army National Guard		
Fort Buchanan	Armory, Training and Storage, PH I	8,400
Air National Guard		
	Fire Suppression System	1,000

South Dakota		
Army National Guard		
Fort Meade	Trng Site, Barracks	590
Texas		
Air National Guard		
Ellington	Alter Hangar	1,800
Utah		
Army National Guard		
Utah County, South	Armory, Training and Storage	2,289
Utah County, South	Organizational Maint Shop	902
Vermont		
Army National Guard		
Camp Johnson	Organizational Maint Shop	926
Air National Guard		
Burlington	Add to and Alter Engine Shop	450
Virginia		
Army National Guard		
Newport News	Armory, Training and Storage	2,600
Sandston (Byrd Field)	Army Aviation Spt Facil Add/Alt PH II	2,100
Air National Guard		
Richmond	Aircraft Arresting System	600
Richmond	Power Check Pad	650
Richmond	Add to and Alter Avionics/Engine Shop	1,350
West Virginia		
Air National Guard		
Yeager	Add to and Alter Telecomm Fac	600
EWVRA	Add to and Alter Training Facility	650
Wisconsin		
Army National Guard		
Appleton	Motor Vehicle Storage Bldg	396
Prairie du Chien	Motor Vehicle Storage Bldg	380

Air National Guard			
	Truax	Add to and Alter Vehicle Maint Facility	950
	Truax	Alter Bldg 402	990
	Volk	Alter Medical Training Facility	250
	Volk	Alter Sewage Treatment Plant	1,750
Wyoming			
Army National Guard			
	Camp Guernsey	Trng Site, 200-Person BKS	1,238
	Lander	Organizational Maint Sub Shop	277

Amended FY 1990 for cost growth:				Adj Proj Value
Idaho				
Army National Guard				
	Gowen Field	Mobilization and Training Equip Site	$+ 600	$4,029
Wyoming				
Army National Guard				
	Camp Guernsey	Range, Modified Record File	+ 220	$1,010
Miscellaneous				
Army National Guard				
	Various Locations	Minor Construction	1,250	
		Planning and Design	6,933	
Air National Guard				
	Various Locations	Planning and Design	6,000	

TOTAL MAJOR CONSTRUCTION ARNG	$119,482
TOTAL MAJOR CONSTRUCTION ANG	$ 91,915
MINOR CONSTRUCTION PROGRAM	
ARNG, RANGES	$ 10,000
ANG, FORCE STRUCTURE CHANGES	2,500

Mrs. SCHROEDER. Well, General France, we're very pleased to have you here, and we agree with you. We were very frustrated to see about a 24 percent cut from last year in Guard and Reserve Budgets. As we are looking to rely more and more on the Guard and Reserve, that doesn't make a lot of sense to any of us.

One of the questions—when we had the group before us—one of the things this committee uncovered was, we were asking each of the Reserve components and the Guard components, what their priorities were, if we could get more money. The DOD people kept saying, oh, no, they came up with the same numbers we asked them to. Well, afterwards, we found out that DOD tells them, come in here with *x* dollars. That's all you're going to get. So, that's how they get the consensus.

I know a couple who were retiring said you are asking the right questions. Get from each of the groups what their priorities are, because we want to do this by priorities of the services, rather than political pressure of the Members. There probably won't be enough money, if we find any, to do what we would like to do. So, we want to do, at least, the top priorities and keep going down.

Would you say this list that you're submitting, has that been prioritized? Or, is that just the things that fell through? How should we read that list?

General FRANCE. Well, I would say that, to a certain extent, it has been prioritized. The National Guard Bureau could probably sanitize that a little bit for you. I can't speak to every one of those State requests. You'll note that it's zero across there for the State of Colorado. That's our own fault.

Just as a for instance, the two projects that I handed Ms. Moore this morning, we're going to lose the State funding if we do not get those things completed. We have completed the 35 percent design. So, I'm sure there are projects out there that meet those same criterions. But, I would also say that the States have come in very honestly with their requirements, as they are listed in that list.

Mrs. SCHROEDER. Well, that's helpful. Anything we can do to get a real prioritization helps us. We hope to find enough money to do everything, but I think that's like believing in the Tooth Fairy. Someone tells me that that's not real. So, we really thank you. We'll see what happens. Congressman Blaz, do you have any questions?

Mr. BLAZ. I think that the General, I should say, has made a very persuasive case. Let me ask you this question, however. There is a lot of talk about assuming additional responsibilities, as the Chairwoman alluded to that. Yet, the funding doesn't seem to correspond with the great patriotic rhetoric. Do you, personally, think that the Air Guard is an example, that can handle additional responsibilities that may come in the future at the expense of, say, giving that same to the active Air Force?

General FRANCE. Qualified, yes. Simply because I can't say no. We hear cliches, like our plate is full, that kind of thing. Our greatest resource is time in the Reserve components, as you well know, sir. I think that if we can, perhaps, do a better job managing the time, and some of that has to be from—well, talking about the ranges; if we have the ranges where we are, where our units are, so that we do not have to use half a day of a weekend training assembly, for instance, to move them to a site, that's going to save all that time, obviously. The end result is that, yes we have time to do more things. So long as we can maintain the stability in our maintenance effort, for instance, in the National Guard, that we've been able to do in the past several years, I think we can take on other missions.

I think that there are places where we currently have squadrons, for instance, that for a small amount of money, without rebuilding the whole infrastructure, that we could have two squadrons there. We could operate from various airfields. So, I think there's a way we can do that. Army National Guard, the same rule would apply. Obviously, there comes a time when we simply will not be able to take anymore. I happen to be one of the people who believe we have not reached that point, yet.

Mr. BLAZ. Thank you very much.

Mrs. SCHROEDER. Thank you. Congressman Montgomery.

Mr. MONTGOMERY. Thank you, Madam Chairwoman. General France, it's nice to see you again and working with you over the years. It rather surprises me, Madam Chairwoman, that Colorado is not mentioned in this——

Mrs. SCHROEDER. We're very modest.

Mr. MONTGOMERY. In this modest request.

Mrs. SCHROEDER. What happened to Mississippi?

Mr. MONTGOMERY. We're OK. We met with the Defense Department and testified on military construction of reservists. We had some legislation of military construction that we thought had the 30-35 percent design, and it was dropped by the Defense Department, in that they didn't request this year for the funding of those projects that we had recommended from this subcommittee last year. Do you include those projects that were dropped by the Defense Department? They said because the 30-35 percent design, is that included in your request? Or, is that something separate?

General FRANCE. I need some help with that. We do not know for sure. It seems to be the answer. I do not know the answer, Congressman.

Mr. MONTGOMERY. OK. You might get that for the record.

General FRANCE. We surely can. We'll do that.

[The following information was received for the record:]

General FRANCE. We have been assured that all of our proposed additional projects meet the minimum design criteria. They represent the projects that would be next in priority to be accomplished by the National Guard. If you have a question relating to a specific project, that information would have to be obtained from the National Guard Bureau.

Mr. MONTGOMERY. As Pat said, it is the feeling of the Congress. It's just a good buy, at this time, for the taxpayers to turn over more missions to the Reserve and Guard. Some of this military construction that you requested, like, building for simulators for both the Army, and the Air Guard, and the Air Reserve. You mentioned about firing ranges, and all. It seems it's almost necessary that some way we're going to have to get these funds to improve the training, anyway, and make the training safer.

General FRANCE. Yes, sir.

Mr. MONTGOMERY. Of both the Air and Ground reservists. Is that correct?

General **France**. I certainly agree. It's critical that the guys marching down the street in that big picture, which is kind of incredible—it looks like they are going to come right over the top to you people. They have got to know how to shoot for their own protection, to win the battle—and, we are not doing a very good job because of the lack of ranges, and the capability to train, right now, with basic weapons.

Mr. **Montgomery**. You are not asking for barracks, new buildings—I hope most of your request is for training, improved training.

General **France**. Yes, sir. It is. Absolutely.

Mr. **Montgomery**. Most of it is for training facilities?

General **France**. Yes, sir.

Mr. **Montgomery**. Thank you, Madam Chairwoman.

Mrs. **Schroeder**. Thank you. Congressman Dickinson.

Mr. **Dickinson**. Thank you. General, perhaps I have not read your statement close enough. So, in order to save reading time, I will just ask you. You say here that we have, by the end of 1990, the Army Guard will have unfunded more than $2.6 billion, and the Air Guard will have unfunded projects of $1.1 billion. I did not realize, but is this authorized, but not appropriated?

General **France**. Neither. Neither. It is neither——

Mr. **Dickinson**. Unfunded then?

General **France**. Well, we have requested it. We know that that's a requirement.

Mr. **Dickinson**. I see.

General **France**. But, beyond that, other than making our need known, I think we have done a fair job over the past several years of making that need known. But, as I explained the $150 million has been funded for that kind of thing, but it's eaten up before it ever gets to either replacing or repairing and refurbishing the infrastructure that we do have.

Mr. **Dickinson**. So, the figures that you are reporting here, the $2.6 billion for the Army, and $1.1 billion for the Air Guard, are previous requests that have not been exceeded to either by the authorizing committee, or the appropriating committee?

General **France**. That is correct.

Mr. **Dickinson**. But you have identified a need and asked for projects that have not been dealt with in an affirmative way, either by DOD or the Congress. Is that right?

General **France**. I would say that's correct. You see, it sort of places us between the proverbial rock and the hard place. We need to do those things we are asked to do of a new mission type, and then when we get that done, we find ourselves with no funds to take care of those things we already had, and if you will, in the old missions.

Mr. **Dickinson**. Alright. Well, I am really trying to get a handle on this to see how we can best help you, because you're talking to a very sympathetic audience here, I might say. What happened to Mr. Montgomery?

Mr. **Montgomery**. Here I am.

Mr. **Dickinson**. He's always going to be partisan now. So, you have $2.6 billion in one, and $1.6 billion that have been requested in the past and have not been acted on or furnished by the DOD, nor the Congress. These are still just hanging—now, the specific items that you have identified here, in your statement, going through State by State, are these in addition to those things that have been requested in the past, or are these part of what you are just bringing up again new?

General FRANCE. I need help.

Mr. DICKINSON. You ought to just check and see——

General FRANCE. I do not know.

Mr. DICKINSON. I want to know if what we are asking here and on your shopping list, is this a part of the total numbers that you used, or——

General WEBER. Madam Chairwoman, if I might go back and tell you that the National Guard prescribes certain limitations for what we have. Each State has requested in a timely matter to submit lists.

Mr. MONTGOMERY. Vernon, we cannot hear you. Here's a mike.

General WEBER. To list their required construction items. Those go back from the Bureau to the States, again, periodically for updates. So, they are fixed requirements by a given set of standards. As General France so aptly stated, that by the time we get through addressing the new missions, we do not have enough money left to address the older missions. Dealing specifically with these projects, some of those were pulled forward from 1991, and that was our recommendation that they be moved into 1990, and bring the others on in for 1991. Does that answer your question, sir?

Mr. DICKINSON. Well, in part. Maybe I am being a little obtuse, but I am trying to get a handle on how much of this is a new request, that has not been considered in the past either by us or Appropriations or DOD, or how much has already been submitted in the past, but not acted on that you're simply bringing forward again because of the urgency or the need. Is this part of a previous presentation, or are these new, or is it a mixture?

General WEBER. We would be happy, sir, to go back and run each project. I cannot answer the question for the reason that the Rules for Submission of projects change or alter almost annually on the part of the people at the Department of Defense. Sometimes it's 35 percent design, or other different criteria they prescribe so——

Mr. DICKINSON. I think that's a constant, I believe. I believe that 35 percent of design completed is a constant.

Gen. WEBBER. Well, that part has only been a constant for the last 2 years. We had 65 percent for a while. That was another figure that we used. So, my point is that because they have not met criterion at certain periods of time, they were caused to drop back. Then the States had difficulty getting State monies or whatever to advance them more rapidly. So, I would guess that there are projects in here that have been submitted previously, but were not, because the Rules at that particular time, were not adopted.

Mr. DICKINSON. Well, I am trying to be helpful.

General WEBER. Yes, sir.

Mr. DICKINSON. I am trying to be on a stand, so that we can see—are we talking about something new? Are we talking about something that's been passed over repeatedly, that you still have an urgent need for now? Or, is this on top of whatever—now, maybe, you can help me, Madam Chairwoman. These would be add-ons at the request of the Guard, but how would they come forward? By way of an amendment? By someone in this committee or what?

Mrs. **Schroeder**. Well, first we have got to find the money. Because we are under such Budget constraints. But, if we find a way to change some priorities so we get the money, then we can do some plus-ups.

Mr. **Dickinson**. Well, perhaps, this is something that would be best discussed in committee. But, what you are suggesting is, that we go through all of the hearings, and then we will discuss these as add-ons to the total Budget that has been requested by DOD? Is that the way we would handle this normally?

Mrs. **Schroeder**. But, we have still got to operate within a budget number. We need a larger allocation. I mean, part of our problem is, we got cut back more than the other portions of the Budget. So, there's a lot more pain than there is in the other parts of the Budget, because this got a much bigger, much more severe cut-back percentage-wise.

Mr. **Dickinson**. Well, I was not even aware of that. By whom?

Mrs. **Schroeder**. By DOD. This is the Reagan Budget we're operating off of. But, Guard and Reserve is about 24 percent from last year.

Mr. **Dickinson**. Oh, oh.

Mrs. **Schroeder**. So, they really took a hard hit.

Mr. **Dickinson**. OK. Thank you. I think the rest of it will be more detailed. I wouldn't take up the committee's time now. But, thank you for your appearance and presentation. Both of you, Generals.

Mrs. **Schroeder**. Thank you. We are very happy to have had you. Thank you very, very much.

General **France**. Thank you, Madam Chairwoman.

Mrs. **Schroeder**. Our next witness this morning is our very distinguished colleague from Texas, Henry Gonzalez, who—it tells you how much he cares about his district, because he just finished doing the Savings and Loan, and everything else. So, Henry, we are very honored that you could take time to come over. It tells you how much you care about Texas.

Mr. **Gonzalez**. To tell you the truth, I will change one responsibility for the other.

Mrs. **Schroeder**. I am sure you would.

Mr. **Gonzalez**. Because of the nature of the district that I have the honor to represent.

Mrs. **Schroeder**. I am sure you would be very happy to, but we welcome you and the floor is yours, Henry.

STATEMENT OF HON. HENRY B. GONZALEZ, A REPRESENTATIVE FROM TEXAS

Mr. **Gonzalez**. Thank you very much, Madam Chairwoman. I am the one that's very grateful to you and the other distinguished colleagues of yours.

Actually, I do express my profound gratitude, because it gives me a chance to sustain the efforts we have made on behalf of some of the traditional and key national outposts in our Defense outposts, which San Antonio has historically and traditionally been the site of.

I am here today to express my support for the various military construction projects in the district. The committee is well versed. In fact, were it not for the knowledge and the ability of members of the subcommittee in the last few years, Mr. Montgomery, Mr. Martin, Mr. Ortiz, and the others, I doubt seriously we could have successfully defended the proper interests of the soldier and his dear ones that depended so much on some key decisions against very tough circumstances in the last 2 years.

The 20th District is the home of the three major military complexes—Fort Sam Houston, Lackland Air Force Base and Kelly Air Force Base. Also within the San Antonio metropolitan area are Brooks Air Force Base, Randolph Air Base and the Army's small posts at Camp Stanley and Camp Bullis. I might add that my first 8 years here, the district consisted of the entire county, so that all of these bases were in the district for my first 8 years.

I would like to begin with Fort Sam Houston which is the home of the Brooke Army Medical Center or BAMC. The committee knows well the problems of BAMC; much to my regret there remains unfinished business with this project. BAMC is essential to maintaining the medical readiness of our armed forces because it provides graduate medical training in the specialized medical fields encountered in combat situations. In addition, BAMC is the second-largest Army medical center in the United States and is key to the continued availability of military medical care in the San Antonio area, which is a vast Veteran, retired, and actually still active-duty area.

Currently, BAMC is housed in 52 buildings, some of which date back to the early 1900's. Because of BAMC's essential function, the Department of Defense began planning in 1984—and, in fact, we obtained approval through this subcommittee and committee in 1984 for a 450 bed replacement hospital that could be expanded to 650 beds.

Then, as the committee knows, in the period between 1986 and 1988, Dr. Mayer, the Assistant Secretary of Defense for Health Affairs, attempted to reduce the size of the replacement hospital. Originally, the 150 beds then, after some Senate pressure, to 200 beds. I argued that 150 beds was the exact size when Black Jack Pershing was headquartered at Fort Sam and was chasing Pancho Villa in Mexico. You had 150 beds then. So, I was trying to point out the folly of maintaining on the one hand, that you could reduce it and still maintain it as a general base's hospital. Not reduce it to a post or a station hospital.

Eventually, we prevailed, thanks to you folks.

The fiscal 1989 Defense Authorization Act authorized $275 million for the construction of the new hospital. This amount was to provide for a 450 bed hospital with capabilities for health care, trauma care, medical teaching and training, and burn care. While this year there has been no attempt by the DOD to reduce the authorization levels for the project, Dr. Mayer has said that he does not intend to include the Research Building for the Institute of Surgical Research in the new BAMC facility. Which, again, is rather contradictory.

Dr. Mayer's attempt to separate the research portion of the burn center from the clinical unit is contrary to Dr. Mayer's previous agreements on this issue and should be rejected. At the outset, Dr. Mayer committed to build a new 450 bed hospital facility that would include the burn center and the Institute of Surgical Research. His commitment to placing the entire burn center physically at the new BAMC was explicit, clear and firm. Despite this unequivocal pledge, Dr. Mayer is again trying, as he has tried numerous times before, to reduce the effectiveness of BAMC and back-off from a pledge that he made to the Congress.

As past events have shown, Dr. Mayer will not retreat from a position he has taken without explicit Congressional direction. It is unfortunate, but he has been operating under a February 6, 1986 directive from the then Secretary of Defense, placing him in supreme command, so to speak, and removing from the Service Secretaries all responsibilities for hospital and medical care delivery administration. So, when he visited my office in August of 1986, I was astounded when he looked at me and said his plan was to have a giant computer in his office, which at the touch of a button, he could know where every bed and hospital condition was worldwide. Well, I then, kind of, was astounded because his attempt was frustrated with respect to the Navy. His first attempt to consolidate in the San Diego area was frustrated because then Secretary Lehman ordered him—it seemed to me to be so way out, and so far fetched, that it really aroused me to then pursuing the original Congressional intent on the 450 bed plan.

I urge the committee to adopt a language that would require that the Research Building for the Institute for Surgical Research be placed in the new BAMC.

Turning briefly to the other needs of San Antonio, I hope that the committee will be able to approve all of the military construction items in the fiscal year 1990 Budget. They are mostly housekeeping and quite essential to carrying out the fundamental missions of both the Air Force, in the case of Kelly, Lackland, and even Randolph, which now technically is out of my district, and, of course, the Army, which I referred to. Especially, I want to stress a few other requests made for Lackland Air Force Base and Kelly Air Force Base.

The Defense Language Institute is located at Lackland. The Institute is often the first exposure that foreign military students have to the United States. There is no question about it. That Institute, even now, has students from Indonesia, Turkey—you name it—Spain, Central and South America. I've had the great honor of hosting the graduates there every year. It's been a most impressive work that the Defense Language Institute has performed. Therefore, it's important to provide these students with adequate facilities in which to live and work. The instructors, the proper environment.

Congress last year authorized and appropriated funds to construct a new laboratory building for the Institute. The commitment to update the Institute facility needs to be continued by providing new living and dining quarters for the students. The current housing facilities lack adequate insulation and fire protection. In addition, they are noisy and the electrical and mechanical systems are obsolete. Similarly, kitchens in the dining facilities do not have equipment that meets fire codes and the dining halls lack sanitary facilities. I urge you to approve the request for $3,550,000 for a dining facility, and $11,200,000 for the student living quarters.

In addition, the Security Police Training Facility at Lackland is in dire need of replacement buildings. The Training Facility is vital to the effective training of both Air Force and Navy personnel in security and law enforcement specialties. It is a keystone of the Interservice Training Review Organization to provide Navy training through a single centralized facility.

Currently, the Security Police Training Facility is located in Korean War-era structures that are incapable of supporting modern teaching methods and are rapidly becoming dangerous to their occupants. In addition, by fiscal year 1991, the Navy training load at the Training Facility will have doubled and the current facilities are incapable of handling this increased workload. Without the replacement facilities, Navy training will be limited and the Navy may suffer a major loss of training capability until alternate and more costly training sources can be developed elsewhere. I urge, again, the approval of the request for $4,500,000 for the Security Police Training Facility at Lackland Air Force Base.

In addition, I hope the committee will continue to support Lackland's capital improvements program by providing for additions to their water storage and distribution system, a new logistics complex, the upgrade of the electrical distribution system, and other requested improvements.

At Kelly, I strongly support their request for $3,200,000 to add to and alter the Logistical Systems Operations Center. This center provides logistical support for the entire Air Logistical Command. The current computer facility is undersized and cannot accommodate the growth required to maintain the Operation Center at peak performance.

In addition, $14 million is needed for a new gas turbine engine repair facility at Kelly. The current facility is over 40 years old, lacks environmental control and adequate space to overhaul properly and test gas turbine engines, starters and accessory gear boxes. The requested facility would provide the space to meet current environmental and technical requirements. Due to the age, condition and location of the existing facility, it is not economical to alter the existing facility. I, therefore, again, urge the committee to approve this request.

I would also like to call the committee's attention to the request for a new Air Force Service Information and News Center at Kelly, and the need for additional Kelly housing construction at that base. Finally, I hope the committee will support the request for additions and alterations for the National Guard Armory in San Antonio and a maintenance shop for this organization.

I certainly want to thank the committee, again, for its patience, its utmost support and assistance. You have consistently showed an understanding of the importance of the San Antonio military operations and, in particular, of the often frustrating and difficult situation at Brooke Army Medical Center, which again, is just outside of my district. Thank you for your courtesy and consideration.

PREPARED STATEMENT OF HON. HENRY B. GONZALEZ, A REPRESENTATIVE FROM TEXAS

Chairwoman Schroeder and the other members of the Committee. I first want to thank you for the opportunity to appear today and speak on behalf of several military construction projects in my district. I particularly want to thank you Chairwoman. It is a pleasure to appear before you as you begin your tenure as the Chair of this fine Committee.

I am here today to express my support for the various military construction projects in my district. As the Committee knows, I represent the 20th District of Texas, in San Antonio. The 20th District is the home of three major military complexes, Fort Sam Houston, Lackland Air Force Base and Kelly Air Force Base. Also within the San Antonio metropolitan area are Brooks Air Force Base, Randolph Air Force Base and the Army's small posts at Camp Stanley and Camp Bullis.

I would like to begin with Fort Sam Houston which is the home of Brooke Army Medical Center or BAMC. The Committee knows well the problems of BAMC; much to my regret there remains unfinished business with this project. BAMC is essential to maintaining the medical readiness of our armed forces because it provides graduate medical training in the specialized medical fields encountered in combat situations. In addition, BAMC is the second-largest Army medical center in the United States and is key to the continued availability of military medical care in the San Antonio area.

Currently, BAMC is housed in 52 buildings some of which date back to the early 1900s. Because of the BAMC's essential function the Department of Defense began planning in 1984 for a 450 bed replacement hospital that could be expanded to 690 beds.

Then, as the Committee knows, in the period between 1986 and 1988, Doctor Mayer, the Assistant Secretary of Defense for Health Affairs, attempted to reduce the size of the replacement hospital. However, with this committee's extraordinary help, for which I am grateful, the FY 1989 Defense Authorization Act authorized $275 million for the construction of a new hospital. This amount was to provide for a 450 bed hospital with capabilities for health care, tramua care, medical teaching and training, and burn care.

While this year there has been no attempt by the DoD to reduce the authorization levels for this project, Doctor Mayer has said that he does not intend to include the Research Building for the Institute of Surgical Research in the new BAMC facilities.

Doctor Mayer's attempt to separate the research portion of the burn center from the clinical unit is contrary to Doctor Mayer's previous agreements on this issue and should be rejected. At the outset, Dr. Mayer committed to build a new 450 bed hospital facility that would include the burn center and the Institute for Surgical Research. His commitment to placing the entire burn center physically at the new BAMC was explicit, clear and firm. Despite this unequivocal pledge, Dr. Mayer is again trying, as he has tried numerous times before, to reduce the effectiveness of BAMC and back-off from a pledge that he made to Congress.

As past events show, Dr. Mayer will not retreat from a position he has taken without explicit Congressional direction. Consequently, I urge the Committee to adopt language that would require that the Research Building for the Institute for Surgical Research be placed in the new BAMC.

Turning briefly to the other other needs of San Antonio. I hope that the Committee will be able to approve all of the military construction items submitted in the fiscal year 1990 budget. I especially want to stress a few of the requests made for Lackland Air Force Base and Kelly Air Force Base.

The Defense Language Institute is located at Lackland. The Institute is often the first exposure that foreign military students have to the United States, and many of these students see their treatment at the Institute as a reflection of the United States' attitude toward their country. Consequently, it is important to provide these students with adequate facilities in which to live and work.

Congress last year authorized and appropriated funds to construct a new laboratory building for the Institute. The commitment to update the Institute facilities needs to be continued by providing new living and dining quarters for these students. The current housing facilities lack adequate insulation and fire protection. In addition, they are noisy and the electrical and mechanical systems are obsolete. Similarly, kitchens in the the dining facilities do not have equipment that meets fire codes and the dining halls lack sanitary facilities. I urge you to approve the request for $3,550,000 for a dining facility and $11,200,000 for the student living quarters.

In addition, the Security Police Training Facility at Lackland is in dire need of replacement buildings. The Training Facility is vital to the effective training of both Air Force and Navy personnel in security and law enforcement specialities. It is the keystone of the Interservice Training Review Organization to provide Navy training through a single centralized facility.

Currently, the Security Police Training Facility is located in Korean War-era structures that are incapapble of supporting modern teaching methods and are rapidly becoming dangerous to their occupants. In addition, by FY91 the Navy training load at the Training Facility will have doubled and the current facilities are in capable of handling this increased workload. Without the replacement facilities, Navy training will be limited and the Navy may suffer a major loss of training capability until alternate and more costly training sources can be developed elsewhere. I urge you to approve the request for $4,500,000 for the Security Police Training Facility at Lackland Air Force Base.

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I would also like to call the Committee's attention to the request for a new Air Force service information and news center at Kelly, and the need for additional family housing construction at that base. Finally, I hope the Committee will suport the request for additions and alterations for the National Guard armory in San Antonio and a maintenance shop for this organization.

I want to thank the Committee again for its patience support and assistance. You have consistently showed an understanding of the importance of the San Antonio military operations and, in particular, of the often frustrating and difficult situation at Brooke Army Medical Center. Thank you for your courtesy and consideration.

Mrs. SCHROEDER. Well, thank you very much, and we will sure do whatever we can. As you know, we have got Budget constraints and the whole nine yards, but we will give it every shot we have got. Congressman Blaz, do you have any questions?

Mr. BLAZ. Yes, I guess I do. I thought we solved that hospital problem 2 years ago.

Mr. GONZALEZ. Well, we really did. That's why I am saying that all we are asking is to reaffirm the action and the language that we did in the last Congress. As I said, this administrator that is still aboard—and since then, in the interim, has made these pronouncements that he wishes to delete that Research Center, and also even to the extent of advocating a cheaper construction material, all in the name of saving money. But, that we are not worried about, because the Corps of Engineers is the expert on that, we do not have to worry with it. But this other, where he would through Executive Action not carry out the intent of the planned and approved authorization of the last Congress, I think, needs some reaffirming language.

Mr. BLAZ. Indeed it does. I should say that I have visited that Center on a number of occasions.

Mr. GONZALEZ. Yes.

Mr. BLAZ. It is a Center worthy of note.

Mr. GONZALEZ. Thank you, Congressman.

Mr. BLAZ. The kind of work that's being done for the Active Duty and the Reserve community—I mean, the entire community is really commendable. I for one would like to do what I can to help.

Mr. GONZALEZ. Thank you very much, Mr. Congressman. We do appreciate it.

Mrs. SCHROEDER. Congressman Dickinson, do you have any questions?

Mr. DICKINSON. Very, very briefly, to my friend and next-door neighbor. Are these items, on which you have testified, how many of these are new and add-on, and how much are you just affirming what the Budget has already——

Mr. GONZALEZ. As I understand it, these are the various requests that have been made to DOD to the presentation of the Congress and the Budget.

Mr. DICKINSON. These are not add-ons. You are just speaking in support of the Budget that came over by——

Mr. GONZALEZ. Yes, sir.

Mr. DICKINSON. With the exception that you are fearful that what we agreed to, as far as Brooke is concerned, might not be adhered to, and you are just simply emphasizing your strong wish that what we agreed to be adhered to.

Mr. GONZALEZ. That is right. Yes, sir. Because Assistant Secretary Mayer, himself, had been part of that agreement.

Mr. DICKINSON. Alright. Thank you very much.

Mr. GONZALEZ. Well, thank you, neighbor.

Mrs. SCHROEDER. Thank you very much. We are very, very pleased to have you, and thanks.

Mr. GONZALEZ. Every time I have been in this very distinguished room, and unfortunately Sonny left, I have always meant to ask—is that Sonny leading the parade?

Mrs. **Schroeder**. Yes. Absolutely. Would we have anyone else up here?

Mr. **Dickinson**. I really think that's Sonny in the 2nd Platoon in the back.

Mrs. **Schroeder**. Thank you. We now have two very distinguished members from California that—we are sorry we are running a little behind. You are very patient. We have Congressman Vic Fazio and also Congressman Robert Matsui. We are very happy to have you, and again, we apologize for running a little behind schedule. The floor is yours.

STATEMENTS OF HON. VIC FAZIO AND HON. ROBERT MATSUI, BOTH REPRESENTATIVES FROM CALIFORNIA

Mr. **Fazio**. Thank you, Madam Chairwoman. I think at this point, because I think the highlight of our testimony, if there is one, will be related to Mather Air Force Base, and because that's in Congressman Matsui's district, Bob should lead off, and I will follow.

Mr. **Matsui**. Thank you very much, Madam Chairwoman and members of the subcommittee, and certainly to my colleague, Congressman Fazio. First of all, Representative Schroeder, I would like to again commend Alma Moore on what she has been doing over the last number of years on behalf of your subcommittee, and certainly the people that have to work with your subcommittee in terms of the help that we have received from her.

I would like to just very briefly talk about a few of the military construction programs. I believe Congressman Fazio will probably go into more detail because McClellan Air Force Base is in his district, and it's adjacent to my district.

With respect to the Sacramento Army Depot, which is in the heart of Sacramento, we are requesting a $3.45 million microwave communication radar facility. That is the only project we are seeking at the Sacramento Army Depot.

With respect to McClellan, and I will just very briefly read them over because Congressman Fazio will go into more detail, a new vehicle maintenance facility is requested. A child care center addition will be requested in the sum of $630,000 to help increase the number of children that would be handled at that facility. A $7.4 million sum for a new hydraulic shop for the B-1B, the F-15 and the F-16, and finally, a new jet fuel storage facility of $4 million for the base, as well.

This is the first year that I have testified with Congressman Fazio and we are not making any request for sums for Mather Air Force Base. Of course, the reason for that, as all of you know, is because Mather is on the list of closures—one of the 86 bases recommended by the Secretary. I testified before the subcommittee approximately 2 or 3 weeks ago, I believe it was, and I indicated that barring some unforeseen circumstances, I will be supporting the recommendation of the Secretary. Notwithstanding the fact, that I have Mather Air Force Base in my district, and of course there are 6,000 military and civilian employees at that particular base.

There are a couple of matters that really have to be discussed, however, before that Base is actually closed sometime in the early

1990's. I think all of you are aware of some of the problems, because other Members have expressed some of the same concerns. Obviously, the toxic waste problems, the extent of the damage of which we are not quite aware of yet, has to be dealt with. Because we have 6,000 acres of land that is contiguous in Sacramento County. It's land that could be developed.

But if in fact we do not have a plan of action to clean up that toxic waste, I am afraid that any deed given by the Federal Government or the Air Force to any private development interests will have to be conditionally. If that is the case, that could make it very difficult to actually develop the land and convert from a military to a civilian use.

Somehow we really have to address that issue. Obviously, we won't be able to address it in a full matter, while we're still not quite sure of how the vote will go, I think it is pretty obvious. But, within the next few months, I think that issue has to be addressed to alleviate concern in our Sacramento County community, and also in other communities throughout the United States that have a base that will be closed.

Second, and perhaps most importantly for the immediate future, is the issue of the base hospital. That we have a 70 bed hospital facility at Mather Air Force Base. I know that under the interpretation given by the Air Force at this time, is that of the bases that close, all functions of the base must close. But bear in mind that we have 43,000 military retirees plus their dependents that live in Sacramento County many of whom had come to Sacramento County because of Mather Air Force Base, and stayed there because of that hospital facility.

Second, over at McClellan Air Force Base we have 4,000 military active duty employees on that base, many of whom continue to use the Mather Air Force Base Hospital. If that hospital closes, of course, that would impact those 4,000 active duty people over at McClellan Air Force Base.

One solution that Congressman Fazio and I and a number of others have been discussing, is having the hospital function be administered and managed by McClellan Air Force Base. Undoubtedly that would mean that your subcommittee would have to be involved in that decision. I think it is an ideal solution because we are talking about a facility that would be administered by McClellan, which will remain there, just on the other side of town. Some 20 minutes away, 10-15 miles away. I think that would be an ideal solution. Hopefully then, if we could do that, we could keep that facility open and still take care of the 43,000 military retirees, and of course the 4,000 active duty employees at McClellan Air Force Base.

I would be happy to answer any questions after my colleague testifies. Thank you.

PREPARED STATEMENT OF HON. ROBERT T. MATSUI, A REPRESENTATIVE FROM CALIFORNIA

Chairwoman Schroeder, members of the Subcommittee, I appreciate the opportunity to testify before you this morning. Your commitment to building and maintaining modern, safe and efficient military installations is to be commended.

In the Sacramento area, our military bases are a great source of pride. The work of this committee to improve the physical plant at our bases is evident. Your efforts to provide sufficient resources and facilities so that our military community can perform their duties safely and efficiently are greatly appreciated by the entire Sacramento area.

Madam Chairwoman, I come before you today to ask that you reaffirm your support of military construction by approving several key projects in the Sacramento area.

The Sacramento Army Depot has requested $3.45 million for a new Microwave Communications and Radar Facility. This facility is urgently needed to support the rapidly expanding signal intelligence and electronics warfare mission at the Sacramento Army Depot. The facility will significantly advance the Depot's capability to service the sophisticated electronic components which are an integral part of the Army's communications and weapons systems.

McClellan Air Force Base is in serious need of a new Vehicle Maintenance Facility. The proposed facility includes a central motorpool complex, which would have service bays, as well as a paint and body shop, to repair McClellan's vehicles, and an administrative and dispatch center. The existing complex is almost entirely in McClellan's Clear Zone, and is badly out of date. The personnel who use this facility would be far safer, and would be able to do their work more efficiently, if we replace the facility at a new location. The total cost of this project is $5.2 million.

McClellan AFB is badly in need of an addition to its Child Care Center. This project will allow McClellan to better meet the growing demand for child care services. The Committee has consistently supported providing this critical service for our military personnel, but the need for child care in Sacramento continues to outweigh our ability to offer this service. The project is estimated to cost $630,000.

McClellan Air Force Base is a leader in hydraulics repair, and has received additional workload from the B-1B and F-15 and F-16 hydraulic maintenance functions. As a result, the base has requested funds for a new Depot Hydraulics Shop so that it can efficiently carry out this additional work. The Depot Hydraulics Shop is estimated to cost $7.4 million.

The present Jet Fuel Storage Facility at McClellan must be replaced. The current facility, which is located off-base does not meet the State of California vapor admissions standards, and the State has ordered that the facility be closed. The new facility would have the capability of refueling two tanker trucks, and is estimated to cost $4 million.

Lastly, I wanted to briefly mention the closure of Mather Air Force Base, also in Sacramento. As you know, the navigator training function, Mather's primary mission, will be relocated to Beale Air Force Base. My primary concern is that the transfer of Mather's missions, and the closure of the base, will proceed smoothly, and have a minimal impact on the community. I have appointed a Commission to coordinate this transition, and I am pleased by the progress that has been made to date. Three issues are of particular importance to me, the hospital facility at Mather, the groundwater contamination at the base, and the future of any employee. I will continue to work with the Air Force and the community to see that the health care needs of the Sacramento area are not ignored. In addition, I want to make sure that the Air Force develops a responsible plan for cleaning up the groundwater contamination that has been found at Mather. The Committee has always been very supportive of Sacramento's needs, and I hope that we can count on your support to assist our community through the transition we face resulting from the closure of Mather Air Force Base.

I want to thank the Committee for holding this hearing today. I appreciate the opportunity to discuss these issues with you this morning.

Mrs. **Schroeder**. Thank you.

Mr. **Fazio**. Thank you, Madam Chairwoman, for giving us the chance to come in and plead our case. I want to congratulate you, first of all, on your ascension to the Chair of this committee, and quickly want to tell you that I watched you on Donahue this morning on the "Mommy Track." I do the dishes and I do the laundry at our house. So, my mommy can continue to work, too. I wanted to get on the right side.

Mrs. **Schroeder**. That's right. You did.

Mr. **Dickinson**. You have not idealed yourself to everybody here.

Mr. **Fazio**. Bill, I see my opportunities and I take them. I took a chance with you, and I'll talk to you later. Anyway, I wanted to simply pick up on a couple of things before I get to the Mather issue. One of which, that I am here simply to support the budget as submitted by the administration with one small exception.

That is at Mare Island Naval Shipyard, which is on the edge of my district. Barbara Boxer, who could not be here today, has asked me to submit her testimony for the record at this point. Indicate my support for a requested add-on dredging project, a $2.7 million project, at Mare Island, which is essential to keeping the shipyard in a position to serve the Navy in the way that it always has successfully.

PREPARED STATEMENT OF HON. BARBARA BOXER, A REPRESENTATIVE FROM CALIFORNIA

Madam Chairman, I would like to urge strong support for the Navy's request for a much needed building addition at Mare Island Naval Shipyard, and for other much needed projects for this vital facility.

A $6.3 million building addition to an existing industrial repair facility is essential to permit the shipyard to accomodate an increase in ship refuelings scheduled for the early 1990's. The building will consolidate liquid and solid waste-handling activities, now dispersed throughout the shipyard. It will provide greater efficiency in the use of work space within the industrial repair facility.

The bottom line is that the vital work of the shipyard - to repair and maintain our submarine fleet - is impeded by the current situation.

Although the funds for dredging improvements at Mare Island are not in the Navy's budget request, I ask the subcommittee to add $2.7 million for this important project this year. The dredging will provide for the installation of a pipeline to transfer dredge spoils from one pond to another to accomplish close-in dredging for the berthing of ships and submarines at the shipyard.

Access to additional disposal ponds will also minimize disruptions to the vital security training program for the newly commissioned Marine Corps Security Force Battalion, Pacific. Currently, the firing ranges, which are located directly in front of several of the dredge disposal ponds, need to be frequently shut down during the dredge pond maintenance periods. Design for the project will be 35% completed next month.

I am very concerned about the lack of budget attention to the need for computer and engineering/technician housing at Mare Island. A new, $13 million computer operations building is needed to support extensive growth in equipment and programs. Currently the Shipyard's computer and automotated data processing equipment is housed in a 70-year old converted warehouse, which is too small. Old air-conditioning and power systems fail frequently, disrupting operations. Working conditions are so adverse that the shipyard is having difficulty attracting and retaining professional talent. I ask the subcommittee to direct the Navy to proceed with design work for this project as soon as possible.

One additional item: Madam Chairman, I have written to you about the critical housing need for Navy personnel in the Mare Island Area. I would again like to take this opportunity to emphasize my support for construction of at least 300 units of additional Navy housing at Mare Island. Right now, Navy families are on waiting lists for housing, while there are open areas at the Mare Island complex that could be used for housing. The Navy has begun plans for this additional housing, but I would ask the subcommittee to request that the Navy accelerate this effort and begin design work for this needed construction.

I congratulate you, Madam Chairman, for assuming leadership of this important subcommittee. I look forward to working with you to ensure that Mare Island Naval Shipyard wins the funding and support necessary to maintain its vital repair and overhaul operations at an optimal level.

Mr. FAZIO. Every other project at McClellan or Travis in my district, or Mather Army Depot or Beale on the periphery of the district, is in the Budget. Hopefully, although I know you have a tough task, you'll be able to keep them there.

But I did want to talk, as Bob has, about the question of how we handle the closure of Mather Air Force Base. It is a very deep concern to our community that we come out of this with a viable economic opportunity that we can build on.

We simply are concerned about the toxic cleanup issue. We had testimony from Mr. Stone at DOD, the other day, that the revolving fund, which is supposed to be funded through my Military Construction Subcommittee on Appropriations, at about $500 million, is probably going to have to be twice that. At the same time, it is going to have to provide funding for toxic cleanup, which is something that I think a number of us had not anticipated.

We are not going to be able to make these properties available to private developers or other levels of Government until they are cleaned up to a point where we know it is safe for people to inhabit them.

If you look at Hamilton Air Force Base in Marin County, you see we have been struggling for over a decade to find a way to clean up the toxics there and make them available for residential development. It would be a tragic mistake if we were to hold out the prospect of economic growth and job development on Air Force or other military facilities when they are closed, and then have it ripped back because we have not put the money up front to make the cleanup occur.

We are also concerned about the disposal of property. Obviously, there will be competing interests in this area. We know this subcommittee has to pay a good deal of attention as to how we go about making sure that we meet the community's needs when we divest ourselves of the Federal asset.

But, most importantly, I wanted to join Bob in discussing the concept of the hospital.

We have 70,000 retirees in Northern Central California. We have many dependents of active duty personnel who will also find it difficult to get adequate health care, because we have a double-whammy closing Letterman on the West and Mather on the East. This committee has recently helped us complete David Grant Medical Center at Travis Air Force Base. We are going to do a tragic bait-and-switch to the dependents and the retirees who have been waiting for that hospital to open. It is just opening now.

If, all of a sudden, everyone from the entire Northern California region will have to descend on that facility, coming from 90, 60, 40 miles away because there is no further health care at those other facilities, the Presidio and Mather. It would be, I think, a very rational thing to do if we were to transfer control of the Mather Hospital to McClellan, which is only 10 miles away and let them continue to function under their command.

I think we have seen some evidence that this is not an idea that does not have a lot of support within DOD and the Air Force. Monte Miller, the Surgeon General of the Air Force, in response to a letter to me, said, if keeping the Air Force Hospital at Mather open can be shown to be cost-effective, and this is not in violation of the Commission's Report, we would support the continued operation of the hospital at Mather, if the necessary resources are provided. I think the Air Force wants this facility to remain open for Beale and McClellan personnel, as well.

We have heard from the GAO that the Commission omitted eligible dependents in its calculation of increased CHAMPUS costs from closing Mather's Hospital. This increases costs significantly, says the GAO. You know, even with the CHAMPUS Reform Initiative that we have in California, it would still calculate to 2 1/2 times more expensive for treatment in the private economy than at a military installation, confirming GAO studies that go back a number of years.

Deputy Assistant Secretary for Health Affairs, Dr. Bill Mayer, testified before our Appropriations Subcommittee on Military Construction, saying, I cannot believe that the Base Closure Commission considered the medical implications as a determining factor in their decision to close a post.

I was able to determine from the staff of the Commission that their consultation with Dr. Mayer was a weekend phone call.

We really have not looked at the health care implications of the Base Closure Commission's Report. So, let me just conclude by saying, I share the same feeling that Bob does. We have tried to take a positive attitude on this. We have been given a lemon, and we are trying to make lemonade. But, we cannot turn our back from these very clear challenges to our community, and I think to this committee, and to the Appropriations Committee. I know we are on a fast track, I know where the momentum is.

But, certainly I hope this committee will help us take another look at some of these issues that we have gone past awfully quickly, and put ourselves in a position to do some revision. Perhaps revision that can be solidly based on cost savings to the Federal Government and to DOD. Thank you very much.

PREPARED STATEMENT OF HON. VIC FAZIO, A REPRESENTATIVE FROM CALIFORNIA

Madam Chairwoman:

Thank you for the opportunity to appear before you today. My annual visits to this subcommittee are well known. The Fourth Congressional District of California is home to two military installations, McClellan AFB and Travis AFB. Adjacent to my district are four additional bases where many of my constituents work: Mather AFB, Sacramento Army Depot, Beale AFB, and Mare Island Naval Shipyard.

Today, I would like to speak on behalf of the military construction projects included in the Fiscal Year 1990 budget submission for each of these facilities. In addition, I would like to bring to your attention the need for the retaining of the hospital at Mather AFB.

McClellan AFB ($17.02 million)

Add to and Alter Depot Hydraulic Facility ($7.4 million)

A facility is needed to accommodate the additional hydraulic workload associated with the activation of the B-1B and increases in the F-15 and F-16 aircraft inventories. The repair of exchangeable aircraft parts, including hydraulic components, constitutes an important wartime tasking. Surge capability is needed to accommodate increasing wartime requirements. This facility will include a clean room environment to meet advanced component repair requirements as well as provide space for basic workload requirements and surge capability. McClellan AFB has primary responsibility for all Air Force depot hydraulic repair work.

The existing facility is saturated because of increased workloads associated with new weapon systems. Testing is done on a three shift operation during the week and a two-shift operation on weekends. This schedule severely limits surge capability. Space limitations prohibit installation of additional F-15, F-16 or B-1B test stands required to support added workloads. In addition, the existing hydraulic manifold, which provides fuel and pressure to test stands, is not capable of operating at high pressures nor with the different hydraulic fluids required for the B-1B system. The lack of additional space will cause delays in repair of hydraulic components, which in turn will result in first-line aircraft being grounded awaiting parts.

Jet Fuel Storage Complex ($4.0 million)

The proposed project will include a fenced jet fuel storage area including two fuel storage tanks, vapor recovery system, spill containment berm, and lead prevention/detection system. In addition, two fuel tanker truck fill stands having vapor recovery and emergency protection equipment with operations/quality control building and parking area will also be built.

Adequate tanks are needed to store JP-4 fuel from pipeline, railroad or truck for war reserve material storage and peacetime operating stock. Nine tanks need replacement to comply with new California Underground Storage Tank regulations. This project is also required to reduce the vulnerability of the off-base tank farm to terrorist attacks and to consolidate the tank storage area and petroleum operations building at a centralized location.

Currently, two tank farms are operating under a waiver from California regulations for vapor emissions control. The on-base tank farm has nine underground tanks that were installed 31 years ago. These tanks are a potential pollutant threat to the ground water supply. In addition, the tank farm and the existing operations building are located in the south runway clear zone. The accident risk in this area is so high that restrictions prohibit most land use. Storage of extremely flammable JP-4 is located off base and is vulnerable to sabotage and terrorist action. Due to the distant location, excessive man-hours are expended traveling between facilities. This tank farm can receive fuel only by pipeline. Disruption in the pipeline supply would render the facility inoperable. If this project is not approved, these tanks will continually require expensive monitoring and testing to comply with California regulations. In addition, vapor recovery systems will have to be installed on aging tanks. Flammable material will still be stored in an area of extreme accident risk and the off-base tank farm will continue to be vulnerable to sabotage and terrorist acts.

Vehicle Maintenance Facility ($5.0 million)

This project is designed to provide space for vehicle body repairs, tune-ups and other automotive maintenance and repair, and for control and parking of government vehicles.

Presently, these functions are in six widely separated facilities. Most of them are poorly configured, have insufficient heating, cooling and lighting and cannot be upgraded economically. No facilities exist for adequately performing auto body repairs and periodic spark checks. A substantial portion of the operations are located in the south runway clear zone and cannot be remodeled or expanded due to clear zone criteria. This project will allow disposal of five buildings.

If this facility is not constructed, inefficient operations will continue in obsolete substandard facilities with duplicated equipment in widely separated buildings. An economic analysis has been prepared comparing the alternatives of new construction, revitalization, leasing and status quo operation. Based on the net present values and benefits of the respective alternatives, new construction was found to be the most cost efficient over the life of the project.

Add and Alter Child Care Facility ($ .62 million)

This is a quality-of-life project. $623,000 is slated to expand the current 7,300 square foot facility by fifty percent (2,600 sq. ft.). This will allow the child care center to increase the number of children from 99 to 134. The child care center currently has a long waiting list.

Before I begin to discuss the programed projects for Travis AFB in FY 90, I want to thank this subcommittee for its support of the David Grant Medical Center. Without your commitment to this hospital, Northern California would not have a tertiary care facility to aid the active duty, dependents, and retired military personnel of the region. I look forward to the official dedication of the hospital on May 12.

Travis AFB ($9.0 million)

Alter the Consolidated Mission Support Center ($9.0 million)

This project is designed to alter the vacated medical center for use as a consolidated support center. A consolidated, centrally located facility to accommodate numerous support functions is required to provide adequate, properly configured space for a numbered air force headquarters.

Today, the 22AF Headquarters, command post, consolidated base personnel office, wing headquarters, social actions, plus several other smaller users, are located in nineteen widely dispersed, substandard facilities. The David Grant Medical Center has moved into a new facility thus freeing up the old medical building. Renovating this facility for a consolidated support center will permit demolition of more than 150,000 SF of WWII and Korean War buildings and provide an adequate, efficient work environment for thirteen base functions.

If this project is not funded, these functions will continue to operate from antiquated, substandard facilities with high energy and maintenance costs.

Mather AFB ($2.5 million)

While Mather AFB is slated for closure, the following two projects for the Army National Guard will be compatible to the closure decisions currently being made by the local community.

Army National Guard Armory ($2.14 million)

A new facility is required to support medical assets and troops for a peacetime mission. The space will permit personnel to perform tasks necessary in support of federal and state missions. This building will house the 126th Medical Company (Air Ambulance) consisting of 197 personnel. The armory will provide the necessary administration, indoor training areas and storage of equipment space to achieve the proficiency required to meet readiness objectives. The existing armory facility consists of two government owned WWII construction building on Mather AFB.

C-12 Hangar for the Army National Guard ($498,000)

This project provides for a hangar to house one C-12 aircraft, administrative shop and storage space for personnel provided under contract from Beechcraft Aviation to maintain the fixed wing aircraft. The current maintenance hangar is not adequate to support the new assigned area support aircraft.

Sacramento Army Depot ($3.9 million)

Microwave/Radar Maintenance Facility ($3.9 million)

$3.9 million is needed to construct a radar maintenance shop. The project will include shop, storage, and administrative areas, overhead hoists, and electrically operated doors. Supporting facilities include utilities, communications, parking, ramp areas, access road, security fencing, and site improvements. This project also includes the demolition of one building.

This facility is required to support a multitude of signal intelligence electronic warfare mission systems. These systems are integral to and support the national defense posture of this nation. These systems are vital to battlefield intelligence operations and support the projected mobilization, limited engagement, or special action scenarios, as well as peacetime intelligence operations. The present Signal Intelligence Division provides support at five widely scattered locations within the installation. These operations are currently housed in temporary buildings, sheds and converted vans. Some system testing is performed on temporary outdoor scaffolding utilized for range testing and is subject to inclement weather. Additionally, some operations require the complete set up and tear down of test equipment to support testing of system parameters of a daily basis. The incoming systems will require special test measurement diagnostic equipment (TMDE) which is funded at the major subordinate command level.

If this project is not funded, the Army will be required to fund contractor logistics support of the systems. The existing facilities and personnel will be taxed to the limit on a full three shift operation with no capability for surge or mobilization requirements if required by 1990. This is in direct conflict with Army planning guidance and standard business practice. Also, without this project, projected savings of $7.5 million in the fist year (equates to payback in seven months) will be lost.

Beale AFB ($13.45 million)

U-2 Weather Shelter ($3.5 million)

This project is designed to shelter one two-bay shelter for U-2R aircraft. The shelter is designed to protect reconnaissance aircraft from adverse environmental effects (dust, rain, heat). The shelter will also permit maintenance and repair to be performed during inclement weather.

Presently, U-2 aircraft wiring, sensors and associated electronic equipment are environmentally sensitive and must be afforded maximum protection against precipitation, condensation, foreign matter, and extreme temperatures. During the winter months, Beale has severe rainy periods. Moisture enters the aircraft structure around deflated nose, cockpit and hatch seals while the aircraft is on the ground. The moisture saturations have caused numerous maintenance problems and has resulted in airborne malfunctions with near catastrophic results.

Ultimately, without this shelter, aircraft and system reliability and critical intelligence data collection missions will be jeopardized. Loss of life and aircraft due to inadequate ground support facilities could occur.

Alert Crew Facility ($3.1 million)

The proposed alert facility includes crew quarters, kitchen/dining, recreation area, and other necessary support. This facility is needs to accommodate a new mission. The KC-135 crews need a facility in which to stay during the mandatory 24 alert. A recent mission change generated the requirement for the KC-135 aircraft assigned to Beale AFB.

Beale AFB currently has no alert requirement and thus, no alert facilities. There are no other facilities on base available which can be used for this function.

The alert requirement for the KC-135 aircraft cannot be supported at this base if the facility is not provided and would have an adverse impact on the Air Force's worldwide refueling capability which would be detrimental to our strategic deterrence posture and national security.

Upgrade Alert Complex ($1.2 million)

In order to accomplish the above it is necessary to upgrade the existing alert aircraft parking area.

The project calls for the repair and replacement of existing asphalt shoulders, electrical and telephone panels, area lighting, existing perimeter lighting and fencing, backup generator for security devices and lighting. The slated monies includes installation of security devices and other necessary support. The area must have sufficient pavement to park the alert aircraft and security measures to provide protection from unauthorized personnel and terrorist threats.

An alert aircraft parking apron was constructed for B-52 aircraft but is no longer operational. The concrete apron is in excellent condition but the shoulders need repair and the security system needs upgrading to meet current requirements.

The new alert mission cannot be adequately supported without an upgrade and alteration of the former alert complex. Aircraft security will be jeopardized, and safety may be compromised due to deteriorating pavement shoulders and potential engine damage due to ingestion of pavement debris.

Unencompanied Enlisted Personnel Housing ($5.6 million)

A dormitory is required to house E1s-E4s. Currently the base has insufficient facilities to accommodate enlisted personnel. Local rentals and utilities are so expensive in the surrounding community that enlisted personnel cannot afford to live off base. If this project goes unfunded, adequate living quarters will continue to be unavailable and result in degradation of morale, productivity and career satisfaction.

At this time, I would like to mention my support for Congresswoman Barbara Boxer's request for military construction projects at Mare Island Naval Shipyard. The president's FY 90 budget contained one project for Mare Island, however, along with Ms. Boxer, I am advocating that $2.7 million be provided for an additional project at Mare Island NSY. Details of the project are listed below:

Mare Island Naval Shipyard ($6.3 million; $9.0 million with "add-on")

Controlled Industrial Building Addition ($6.3 million)

$6.3 million is needed to construct a building addition to provide a highly specialized industrial facility, to correct work methods and equipment, and to reduce the volume of disposable material.

A specially designed and controlled facility is needed to accommodate consolidation of solid waste handling functions while improving work space utilization within the controlled industrial repair facility.

The current existing controlled facility is inadequate in space and configurations to accommodate current and future workloads. The facility is overcrowded and has caused liquid and solid waste-handling functions to be dispersed throughout the present complex, resulting in a non-optimal workspace arrangement.

Dredging Improvements ($2.7 million)

The proposed 8,700 linear feet of cross-pond dredge line is required to allow systematic filling of dispersed spoils ponds from various locations on the waterfront in order to allow pond filling and drying to be sequenced in such a manner as to allow optimal compaction to be accomplished during dry weather season without impacting continuing dredging operations. This project is required to maximize the life of these spoils ponds, and preclude the need of disposing of dredge spoils off-yard.

The installation of the new dredge lines at Piers 21 and 23 are required to preclude the need to relocate the shipyard's floating dredge line when vessels are berthed or are leaving the finger piers. The 520 LF of additional dredge line is required to prevent extended interruptions to dredging operations caused by blockage of the existing line.

The design for the project has been paid for by Mare Island and it meets the 35 percent design level requirement.

Madam Chairwoman, as I mentioned earlier, the second issue I wanted to raise is the need to maintain Mather Hospital for the active duty, their dependents and retirees. As you may know, Sacramento has the second largest military retiree population in the nation.

Three weeks ago in response to a letter I wrote to Lieutenant General Monte Miller, Surgeon General of the Air Force, pertaining to the closure of Mather AFB's hospital, General

Miller stated, "If keeping USAF Hospital Mather open can be shown to be cost-effective, and if this is not in violation of the Commission's report, we would support the continued operation of the hospital at Mather AFB if the necessary resources are provided." I wholeheartedly support this view as General Miller's office also determined that: "If USAF Hospital Mather closes, the demand for care at [the David Grant Medical Center at Travis AFB] will increase significantly as beneficiaries from McClellan and Beale AFBs seek health care at Travis AFB. This will increase the competition for access to DGMC for all retirees and their dependents locally and from the Sacramento area."

As Surgeon General Miller has stated, unless Mather AFB hospital remains open, the closest full-scale hospital, David Grant Medical Center, will experience overcrowding and provide inefficient health care for our retirees.

In addition, the General Accounting Office (GAO) in testimony before your subcommittee, stated, "The Commission, omitted eligible dependents in its calculation of increased CHAMPUS costs from closing Mather's hospital. This increases costs significantly." Treatment under the CHAMPUS program -- even under the CHAMPUS Reform Initiative (CRI) -- is two-and-a-half times more expensive than treatment at a military installation. I am very concerned about the rising costs of health care, especially for our military retirees if Mather's hospital closes.

Furthermore, Deputy Assistant Secretary for Health Affairs, Dr. William Mayer, during questioning by the House Appropriations Subcommittee on Military Construction, of which I am a member, stated, "I can't believe that the Base Closure Commission considered the medical implications as a determining factor in their decision to close a post." At my request, Dr. Mayer will be providing a report to your subcommittee and to our Senate counter-parts as to the impact the closing of military installations will have on the health care of our active duty, dependents and retirees.

As the Congressional representative for West Sacramento, Solano and Yolo Counties, I am extremely concerned about the impact the closure of Mather AFB's hospital will have on the Sacramento region. For the reasons stated above, I am looking to this subcommittee for any assistance you may provide in keeping the hospital at Mather AFB open. I would hope after examining this issue in depth, you and your colleagues will reach the same conclusions I have.

Madam Chairwoman, I realize that you will be making difficult budget choices in the coming months and that cuts will be necessary. I wish you and your subcommittee members the best of luck during your decision making process and thank the subcommittee for its indulgence.

Mrs. SCHROEDER. Well, I want to thank both of you, and really commend you on your attitude and your helpfulness to this committee. I am glad to hear, too, that the Appropriations Committee probably is not going to cut back the $500 million for cleanup, because I think that it's really critical. You are right, it is probably nowhere close. We had Dr. Mayer in here, and this entire committee has been very concerned about the retirement community.

So your suggestions about the hospital are very interesting, and very creative. I salute you. As I read the Base Closing Law, though, we could not do that without special legislation. Is that right? Wouldn't we have to do special authorizing legislation to permit that? If that's your reading, are you planning to introduce it?

Mr. MATSUI. Well, at least the interpretation of the Air Force has been, in their response to Congressman Fazio and myself, that they are not able to keep the 70 bed facility open. But, I would imagine it could be possible, even without legislation, to have McClellan Air Force Base take over the operation of that hospital. I do not think that would be much of a problem. I think it could be done merely through the authorization of appropriations process.

Now, if it requires remedial legislation, and we are looking into this, certainly Congressman Fazio and I would offer that legislation, and hope we could move it as soon as possible.

Mrs. SCHROEDER. Sure. Well, look at it, and see what we all determine the law allows us to do, because it's a very interesting proposal. Thank you again for your positive attitude. Congressman Martin is now here.

Mr. MARTIN. I yield for now.

Mr. DICKINSON. Well, let me just piggy-back on that. I think I recognize the problem. In my hometown of Montgomery, we had Maxwell Air Force Base on one side, and then Gunther Air Force Base, and later Gunther Air Force Station. It was annexed and then it became a tenant to Maxwell. I can see no impediment that a portion of the base, under normal conditions, could not be annexed to and be a tenant of the major facility of McClellan.

Unless, as has been suggested, there is something in the Base Closure Law that would prohibit it. But it makes sense, what you said. If it is a good adequate ongoing facility and the need is there, I am certain you will find this committee more than supportive. If legislation were necessary, fine.

Probably all we would need, though, would be the funding, which would be withdrawn on a normal course of things, so that it could be a tenant of McClellan and continue to operate and service the community. We will work with you. If it requires legislation, listen, we will talk about it. If not, we will see if we can't explain it to the Air Force.

Mr. FAZIO. I appreciate it, Bill. You are very good at explaining things at times. I think this is one opportunity for us to intervene, maybe after the fact—after the Commission's report has taken effect. But with the wisdom of the Armed Services Committee and the Appropriations Committee working together, I think we could do this. But we have to, of course, hope that OSD and the Air Force would join us. I think they will. I think they are waiting for some Congressional leadership.

Mrs. **Schroeder**. We will give it. Congressman Blaz, did you have a question?

Mr. **Blaz**. Thank you, Madam Chair. What do I call you, Pat? Chairlady, Chairman, Chairperson?

Mrs. **Schroeder**. Pat. Pat's fine.

Mr. **Blaz**. I must say that Vic lost me when, and I sided with Bill on that comment about doing windows——

Mr. **Fazio**. Oh, I didn't say I did windows.

Mrs. **Schroeder**. Nobody does windows.

Mr. **Blaz**. But both of you have got to get back on the retirement.

You probably suspect that I would feel this way. To add fuel to your argument, there is definitely a tone of betrayal on the part of the retirement community, when they see something as dear to them as hospitalization removed. It is not the number of people that seek the facility's services. It is the availability of the services. Knowing in the back of your mind, in your aging days, which is the lot of the retirement community—knowing that it is there, is a lot more comforting than anything you can bring up by way of an argument.

Also, I cannot for the life of me understand why anyone would not argue that to replace such a facility, or the impact that it would have on the community, were it to be removed is far greater and more expensive than can be imagined. So, I urge you, in the name of the retired community, of which I am a proud member, to please do what you can, because I think it can be done. In fact, I think it ought to be done. I think if we do not do it, we ought to be ashamed of ourselves. So, we ought to take a look at it. I, for one—Bob, I join you and another—there are very few things that lure a lion out of his lair. This is one of them. So, please get on it, and I will see what I can do to do it in English, too.

Mr. **Matsui**. We appreciate that very much.

Mrs. **Schroeder**. Congressman Martin.

Mr. **Martin**. I welcome my colleagues, and I guess, I have just one question, Mr. Matsui. Mr. Fazio pointed out that all the projects listed in his testimony, only the $2.7 million for the dredging was an "add-on." Are the things that you speak about, the Sacramento Army Depot, as well as McClellan—they are all in the budget, as well?

Mr. **Matsui**. Yes, they are. We are making the same request.

Mr. **Martin**. As you both appreciate how difficult this year is going be, it is my understanding—when we talk about the environmental concerns, that that $500 million that we are going to be, hopefully, putting away under the Base Closure Act, is not for that purpose. But, they all have to stand in line with DERA, is that correct?

Mr. **Fazio**. Well, Dave, that is a very important point. When they came before our subcommittee, which has the task of appropriating the $500 million revolving fund to get started on the base closure, I specifically asked Mr. Stone if we were going to be using that fund to do toxic cleanup on those facilities that are on the list for closure. He said, yes. Now, that is, from my standpoint, a change in orientation. I did not think that fund was going to be used for that purpose. But, on the other hand, while I am troubled from the standpoint of a MilCon member by that, as a person representing along with Bob, because I know that DERA is over-stretched already, and that it would be normal for the military to put lesser priorities lower down on the list. I would assume that active duty facilities that are under intense usage would be at the top of the list. So, where are they going to place facilities that are up for closure? I cannot imagine they are going to be high priorities on the environment restoration list.

So, I am torn. I understand your concern about using that fund for that purpose. But, keep in mind, that we are not going to be able to get any return on the sale of those assets until they are cleaned up enough that we can find private sector developers willing to bid on them. So, we are in a Catch-22. I think it is going to stretch out the benefits of base closure well into the future. Far beyond the estimates that were made in those glowing speeches last year on the floor.

On top of that, I think we have a number of other problems in this area, and frankly, we are going to spend a lot more money on MilCon, as you know, to move a lot of installations and to move missions from one place to another. That money is going to have to be in front in some cases, before we benefit from the savings from the closure. Most of those savings, it has been estimated, are going to come in personnel and strength reductions.

Mr. MARTIN. Eighty-four percent.

Mr. FAZIO. Right. Eighty-four percent, according to GAO. So, we are not going to be able to benefit. Our subcommittees are going to be putting out money. Somebody else, maybe somewhere else, will see the savings.

Mr. DICKINSON. Let me say, Vic, that Mr. Stone's statement to you is contrary to what the staff tells us our understanding is as to funding. DERA does not come out of additional $500 million. That's the move people make.

Mr. FAZIO. Yes.

Mr. DICKINSON. It has nothing to do with the cleanup. My understanding of it—we do not understand it that way.

Mr. FAZIO. We definitely need to clarify that, because that was specifically on the record in the MilCon hearings of, I think, 2 weeks ago.

Mr. DICKINSON. I really think that you or the Appropriations are probably going to be faced with coming up with some additional money for the toxic waste cleanup, outside of the $500 million in your proposal.

Mr. FAZIO. Well, it is a joint responsibility because, I think you authorize each year what you think is an adequate amount. DERA, we appropriate something close. We are always stretched. We do not have enough money to go around. Everybody says, clean up my base first. There is no way we can do it.

Mr. MARTIN. I just wanted to add one other thing. You stated very well the entire argument surrounding the computation of the pay-back period. Because some of these facilities, where you add in environmental restoration, which is going to have to happen under any set of circumstances, you are talking about years and years and year's before you can get alleged pay-back, or a yield-back.

Mrs. **Schroeder**. Again we thank both of you, and appreciate your being here. I am glad you watched the "Mommy Track."

Mr. **Fazio**. Thanks.

Mr. **Matsui**. Thank you.

Mrs. **Schroeder**. Next, we have Congressman Al Swift from Washington and Congressman John Miller from Washington. We apologize to you for being behind schedule, and thank you very much for being here. We will put your statement in the record, and the floor is yours.

JOINT STATEMENT OF HON. AL SWIFT AND HON. JOHN MILLER, REPRESENTATIVES FROM WASHINGTON

Mr. **Swift**. Madam Chair and members of the committee, thank you very much. First of all, I would like to extend the regrets of Congressman Norm Dicks of our State, who has worked very hard and is very supportive of this particular project. He is not in town today. Said that he extended to the committee his support on this project and wanted you to know that he will be in touch with the committee himself.

The second thing I would like to point out is that we are building a home port in Everett, as we sit here today. The issues that surrounded certain actions taken in Court have been resolved. There is no longer a delay in this project. In fact, at the present time, utilities are being placed in the ground. Other work is being done on the ground for site preparation. Work has been done in the water, though that is in a planned hiatus at the present time to allow for a fish run to take place. Then that work will begin again.

With that, I would like to yield to my colleague for more details.

Mr. **Miller**. Madam Chairwoman and members of the committee, thank you for listening to Al and myself this morning. Al has mentioned the interest that Norm Dicks has in this. Of course, this facility is located in my colleague's district. My interest is two-fold. Many of the people that will be working in this facility will be living in my district. Also, as you well know, the Sand Point Naval Air Station is on the Commission list. While I am not opposed to that, if you read that recommendation, the Commission calls for some of the operations to be transferred from Sand Point to the Everett Facility.

The rocks are being moved. The sea walls are being built. The ramps are being filled in. This project is under way. That is very pleasing—I know so many members of this subcommittee who have worked so hard on it—to those of us in Washington State. The key factor in moving this ahead was a landmark agreement last year between environmental groups opposing the project and the Navy.

A lot of people thought that that lawsuit was just going to go on for years and years, and hold the project up. I think it was a credit to both parties—the environmentalists and the Navy—that they were able to settle their differences. The project can now move ahead consistent with national security objectives, and it can be done in an environmentally sound manner. There is agreement by environmentalists and the Navy on that.

The first phase of construction calls for completion of a large pier and a wharf capable of providing berthing for an aircraft carrier and 4 to 6 ships. The fiscal year 1990 requests provides the final increment of $9 million for previously negotiated land purchases, as well as $11.2 million for construction necessary to complete the carrier pier. We look forward to working with the committee on this. I would like to turn it back to my colleague for some final comments before we get to any questions you have.

Mr. SWIFT. By way of summary, Madam Chair, there are three statements that were not contained in the testimony that was delivered to you prior to the meeting. The three points are particularly good ones, and I would like to reinforce them here.

First of all, it is important to know that an extensive testing program of dredge materials is included as part of the agreement that John referred to. Testing to date has confirmed the clean nature of that material.

The second point that I think we should bring out is that the level of funding we are asking for here—$9 million for the previously negotiated multi-air land purchase, and the $11.2 million for construction necessary to complete the carrier pier—are critical, both for meeting the cost estimates and the schedule objectives.

Finally, I think it is important to note that this particular project was extensively reviewed and has been supported by the Base Closure Commission. With that, Madam Chair, I would like to ask unanimous consent that a revised version of our statement be included in the record, along with a letter from the Mayor of Everett, Bill Moore, and an article from the Everett Herald that is relevant to the testimony we have given here this morning.

PREPARED STATEMENTS OF HON. AL SWIFT AND HON. JOHN MILLER, REPRESENTATIVES FROM WASHINGTON

We are pleased to tell you that construction operations are now in full swing at the site of the Everett Navy Homeport. Work on reinforcement of the sea wall has started, installation of utilities systems is well underway, and in-water work has begun. We would like to submit for the Hearing record, a copy of a letter from the Mayor of Everett and a news clipping from the Everett "Herald" describing the progress made.

The site development contract was restarted after an agreement between the Navy and environmental groups was announced in December, 1988. This agreement settled litigation associated with the Everett Navy Homeport. Dredging and construction plans have been modified by the Navy to conform to the court approved settlement agreement. Less material will be dredged, and most of the dredging will be done in areas where there is primarily "clean" material. An extensive testing program of dredge materials is included as part of the agreement, and testing to date has confirmed the "clean" nature of the material.

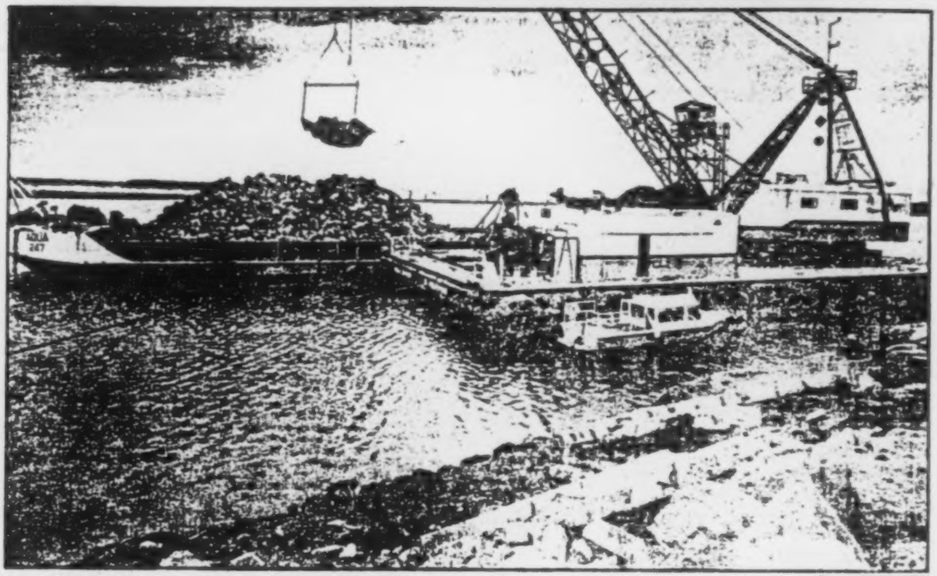
This landmark agreement enables the Navy to move forward expeditiously with the Everett Homeport, an element critical to our national security goals. And this will be done consistent with our mutual goal of accomplishing it in an environmentally sound manner With the agreement, delay and litigation are behind us; and now is the time to forge ahead.

The first phase of construction calls for completion of a large pier and marginal wharf capable of providing berthing for an aircraft carrier and four to six ships. An estimated 900,000 cubic yards of sediment will be dredged from the outer harbor to prepare footings and to deepen the area. A contract for dredging and carrier pier construction is expected to be awarded this summer, and we are happy to report that the new, agreed upon plan does not increase overall construction costs. The planned schedule calls for the pier to be completed and available for use by mid-1992.

The FY1990 request provides the final increment of $9 million for the previously negotiated multi-year land purchase, as well as $11.2 million for construction necessary to complete the carrier pier. This level of funding is critical to meeting cost and schedule objectives. With the settlement of the outstanding environmental litigation, and the start of construction, the Everett Homeport is now a reality. We have also been told that this project is a top priority of the Navy's, even in the face of likely military budget constraints. It was extensively reviewed, and supported, by the Base Closure Commission. We need to build on the significant progress we have already made at Everett, and we look forward to working with the subcommittee in the authorization of FY '90 funding for the Everett Homeport.

The Herald, Friday, February 24, 1989

Local/Region



Rocks are loaded onto a barge for relocation along the seawall at the Navy home-port site in Everett.

The Herald/FRANK VARGA

Crews begin work on Navy base seawall

By JIM HALEY
Herald Writer

A lot of rocks are being moved around the Navy home-port site in Everett.

Construction workers are preparing to build a new rock seawall on the Snohomish River side of the base, work that was prohibited for five months last year due to a court injunction.

Small rock will be placed first, then large pieces will be positioned to protect the shore from wave action, said Lt. Cmdr. Joe March, Navy spokesman.

Later, the Navy intends to remove thousands of pilings from old piers in the East Waterway, March said.

Such construction work in the water was halted by a federal court judge last summer. But the injunction was lifted in December when the Navy and environmental groups reached an accord on a dredging controversy.

Navy officials were forced to redesign the base, and change plans for disposal of contaminated sediments.

March said the Navy and contractor, a joint venture of Brinderson Corp. and J.A. Jones Construction, are expected to settle soon on costs associated with the court-imposed construction delay.

But while a lot of the contruction was idle, crews hauled thousands of tons of rock to the base site for later use. That rock now is being ferried around the site by trucks, and it will be positioned by a barge-mounted crane, March said.

In the last few weeks, workers have filled in two old ramps on the Snohomish River side.

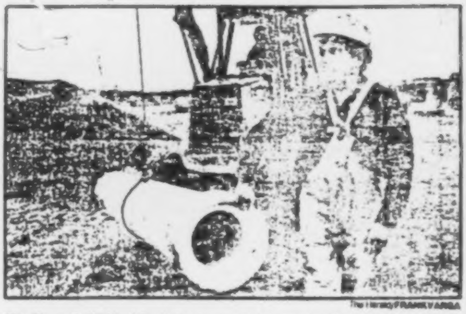
In other work, a contractor is removing old pilings that supported the foundation of an old Western Gear building. Other workers are digging trenches and installing storm sewer pipes.

Since construction started in the fall of 1987, the Navy has spent about half the first $34 million contract, and more than 52,000 hours have been worked, March said.

Meanwhile, the Navy continues to plan to complete scientific tests on material that would be dredged around the site of a long pier, home for an aircraft carrier and several other ships.

According to terms of the court settlement, the Navy must meet certain standards before deciding how to dispose of about 875,000 cubic yards of sediments in the first phase of base construction.

The Navy hopes to start dredging late this year. Once the dredging is done, work can start on the pier.



The Herald/FRANK VARGA

Mike Pimentel of Kirkland directs the placement of a sewer pipe that will be installed in the main line.

March 8, 1989

everett
CITY HALL • [illegible]
EVERETT WASHINGTON
[illegible]
OFFICE OF THE MAYOR

Representative Al Swift
Longworth House Office Building Room 1502
Washington D.C. 20515-4702

Dear Al:

Construction of the Everett Homeport for the USS Nimitz is underway again. Since the December settlement with environmental opposition, the Navy has moved ahead to complete the first phase construction and preparing to begin its second phase. The attached article from the February 24th edition of the "Herald" provides a useful overview of the current status of base construction.

A call for bids is scheduled for early summer on the federally funded road improvements to West Marine View Drive between the Base and Downtown Everett. The transporation link has been designed and will take approximately two years to complete. Concurrently, a State/Port funded bridge expansion and road improvement project north of the homeport site will go to bid this summer and be completed about the same time as the West Marine View Drive project.

Our goal is to complete the transportation improvement projects by 1991, well ahead of base construction.

Housing construction in the Everett/Snohomish County region has been vigorous in the past year. The City of Everett is experiencing its third record year in building and housing construction. Much of this new construction activity will provide affordable housing to meet the needs of the Navy in 1992. Similar growth and development are taking place in locations all over Snohomish County which further enhances housing stock availability.

Our community is pleased that the Everett Homeport project has weathered opposition from regional environmental groups bringing the completion of the homeport base that much closer to realization.

We applaud the Navy for its perseverance, sensitivity and commitment to this project.

Sincerely,

Bill

BILL MOORE
Mayor

Mrs. **Schroeder**. Well, we thank you both very, very much for appearing. I think probably the largest understatement of the day has been that Norm Dicks will probably be getting a hold of us on this issue.

Mr. **Swift**. I saw him, Madam Chairwoman, walking you up the aisle the other day. It seemed like you had only one arm.

Mrs. **Schroeder**. Absolutely. You got it right. So, I know we will all be hearing from him, and we really appreciate your being here and testifying today. Congressman Blaz, do you have any questions?

Mr. **Blaz**. No, I don't. Thank you very much. It is nice to see Everett—in being at one time it was just a name; and, here we are, 2 years later, and the rocks are moving, the piers are in—it is great. It is just great news.

Mr. **Miller**. Thanks, in part, to your perseverance.

Mrs. **Schroeder**. Congressman Dickinson.

Mr. **Dickinson**. One question. How did they ever resolve the dumping of the spoils question? At one time they were going to fence off a place in the ocean and then dump it, and that was not satisfactory. Then they determined that it was toxic in nature—and I know this held you up for a while. I was just curious. What was the final solution?

Mr. **Swift**. That was resolved out of court. It was done partly by redesigning the piers, so that there is substantially less dredge that needs to be done, and the nature of the dredge spoils is different. The disposal problem does not apparently seem to be a problem under this configuration.

Mr. **Dickinson**. That's good. The figures that you mentioned, are they add-ons, or they already in the budget?

Mr. **Swift**. No. Those are the exact figures that have been requested by the service as part of the ongoing budgeting on the homeporting projects.

Mr. **Dickinson**. So far as you know now, all of the impediments, and all of the problems that were hanging out in the air that gave rise to various legal actions to the certificates that were required, all the certifications, the environmental—building of the highways, who was to pay for it, the bonding issues and so forth—has all been resolved now and is behind you. You see nothing but open track ahead. Is that right?

Mr. **Swift**. I can tell the gentleman has been paying close attention to this project over the years. I think you named almost all of the problems. We know of none at the present time that has not been resolved.

Mr. **Dickinson**. Thank you.

Mr. **Miller**. I should just add that some of the State, local road projects and bridge expansion projects that are tied into this are going to be underway this year.

Mrs. **Schroeder**. Congressman Martin?

Mr. **Martin**. Just one comment. It is very gratifying to have you here this morning talking about the progress at Everett after so many long, hard-fought battles. In no small measure, that is due to the efforts of you, gentlemen. I would hope that when you go back to Washington State, you will give my best regards and personal best wishes to the Mayor, who was kind enough to show me around the city when I was there.

Mr. SWIFT. Mr. Martin, we will be happy to do that. Furthermore, I want to especially thank you, for I know you have been out to Everett. We would like to invite you to come again. We will see when your schedule might work out with the Chair of the committee, and if you all want to come along, we will figure out a way.

Mr. DICKINSON. We will check with the salmon run.

Mr. MILLER. Get there before Dingell does.

Mrs. SCHROEDER. Thank you very much. Well, we appreciate your being here. The next witness that has been patiently waiting this morning is Congressman John Edward Porter from Illinois. We are very happy to have you. We welcome you and we will put your statement in the record. The floor is yours.

Mr. DICKINSON. Madam Chairwoman, just as a matter of inquiry, if I might. What is the intent of the Chair? Are we going to take all the schedule of witnesses before we break for lunch, or will we break and come back? What will we do?

Mrs. SCHROEDER. I think we will just go right on through. We told everyone we would, and we are now running 30 minutes behind, I know. But, hopefully, we can make up some time. So, the floor is yours.

STATEMENT OF HON. JOHN EDWARD PORTER, A REPRESENTATIVE FROM ILLINOIS

Mr. PORTER. Madam Chairwoman and members of the committee, thank you for the opportunity of testifying this morning. I might say that I have three military bases in my district, which is half of the military bases in the State of Illinois. One of the bases, Fort Sheridan, is on the Commission's list for closure. Assuming that the GAO finds that there are no savings in closing all of these 86 bases, I would like to reserve the right to come back to you and talk to you about Fort Sheridan. If, in fact, it is not closed.

It is interesting that while we are looking at the closure, we are also looking at the future use of that property. The Commission has suggested that, at least, 60 acres on the base be used for a Reserve facility, and we now have penciled out what ought to be a Reserve facility. In it are included almost all of the recent additions to the Fort, because this subcommittee, over the last 8 years, has put $23 million worth of new construction into Fort Sheridan that would be lost if it was not in that Reserve component.

I think that it ought to be in that Reserve component. Hopefully, it will be. The Reserve component will be called Fort Sheridan, interestingly enough. Or, at least, that is the present plan.

We also hope that when we get to this point, if the base must close, and that must be one of our contributions to spending the taxpayers' dollars more wisely and hopefully reducing the deficit, that this subcommittee might consider, and hopefully favorably consider, an additional medical facility within that Reserve component, that would not be in there now. It would have to be moved to that site.

I think, also, a museum and library that would preserve the heritage of Fort Sheridan, which is one of the most beautiful, historic forts in America, and that heritage ought to be preserved. So, I would reserve the right to come back and talk to you about that at a later date.

The other two bases in my district, Great Lakes Naval Training Center is the largest training center in the world. The request this year is for $13.6 million for an electricians and communications training building. The new building would provide proper facilities to accommodate advanced maintenance training and integrate the Basic Electric and Electronic School into an electricians curriculum.

The two buildings in which the Communications School is currently housed—one was built in 1964. It cannot accommodate present library needs and lacks sufficient electric power. The other is a deteriorated 1942 warehouse that is scheduled for demolition. So, the need for this facility is very great, indeed.

The request also includes $2.3 million for a child care center. Currently, the center at Great Lakes is able to accommodate only 14 percent of the children that need care. There is a long waiting list. The proposed center would provide the necessary care facility for 300 school and pre-school aged children and infants. We think that need is a very great one.

Thirdly, there is $17.2 million requested for improvements and repairs to 262 enlisted personnel units at Great Lakes at the Public Works Center. The request includes necessary repairs, maintenance and improvements in units located in an area that is called by the people on the base, "Flintstone Village." It is so old and in such bad shape and dilapidated buildings and the like, that it is called "Flintstone Village." Currently, the interior layout and amenities fall far below present-day standards, and many items actually violate safety codes. So, that is very much needed.

The Great Lakes Naval Hospital, located on the grounds of the Training Center, provides a full range of health care services to active duty Navy and Marine Corps personnel and active members of other uniformed services. It is also the home of training and educational facilities for Naval medical students. The request for fiscal year 1990 includes two projects at the Naval Hospital—$10.47 million for a new Bachelor Enlisted Quarters, and $1.8 million for an addition to the Hospital Corps School.

The Hospital Corps School does not have adequate berthing spaces. Enlisted personnel currently stay in overloaded facilities that are below Defense Department berthing standards. The request also includes $1.8 million for an addition to the Hospital Corps School. Due to a shortage of space, the medical personnel must train in unused hospital wards located a quarter of a mile from the school. March back and forth to their classes. The requested addition will provide the building a necessary medical training space, instructor work areas, and computer instruction centers to insure adequate medical services and facilities are maintained at Great Lakes.

The other base in my district is the Glenview Naval Air Station. There are two requests there. $600,000 is requested for a Tactical Air Command Center. The air station requires adequate space to train maintenance personnel for the KC-130T program and to operate the Tactical Air Command Center located at Glenview. Currently, both of these missions are conducted in a hangar that is too small to accommodate the training requirements. In addition, its location does not allow for the use of high-frequency antennas; therefore, stifling the ability of the Air Command to communicate with other air control centers.

Finally, $4.7 million is being requested for a much-needed Bachelor Enlisted Quarters. Presently, almost all of the available facilities date back to 1942 and are in a state of serious decay.

I hope that the subcommittee will consider these very vital requests for the two bases that remain, and hopefully, I will be back, if Fort Sheridan must close, to ask you for some additional construction at the Reserve facility that is being planned as a replacement.

PREPARED STATEMENT OF JOHN EDWARD PORTER, A REPRESENTATIVE FROM ILLINOIS

Madame Chairwoman, thank you for the opportunity to testify in support of the Fiscal Year (FY) 1990 military construction requests for two bases in my congressional district: the Great Lakes Naval Training Center, and the Glenview Naval Air Station.

In the past, I have worked with this subcommittee in support of funds for Fort Sheridan, also located in my district. However, Fort Sheridan has been recommended for closure by the Commission on Base Realignment and Closure and the Secretary of Defense. Unless the Congress rejects the commission's recommendation, Fort Sheridan will unfortunately close. I completely disagree with the Fort Sheridan decision, because I believe the base serves an absolutely essential military function. At the same time, the absence from the list of the Great Lakes and Glenview facilities confirms the equally important role they play in our military structure. In light of the possible Fort Sheridan closure, approval of the requests for Great Lakes and Glenview is that much more important to the district I represent.

I realize that the first priority of this Committee and the Congress is to reduce the deficit that threatens our country's future. I realize too, that in addressing this problem, it may be necessary for the subcommittee to spread construction commitments over longer periods of time than were originally contemplated. If done in a fair, even-handed manner in which all of us share, there can be no valid objections.

Each of the projects requested for Great Lakes and Glenview are already contained within the President's military budget request, and each represents cost-effective solutions to the replacement or augmentation of aging or over-utilized facilities. I am very proud of the volunteer men and women who live in our community and serve our country at these facilities. Their contribution to the life of the area I represent is greatly appreciated.

Madame Chairwoman, the Great Lakes Naval Training Center is the largest training center in the world. It is the heart of the U.S. surface Navy.

This year, Great Lakes is requesting $13.6 million for an electricians and communications training building. The Interior Communications and Electricians School is currently housed in two buildings -- a 1964 structure that cannot accommodate present laboratory needs and lacks sufficient electric power, and a deteriorated 1942 warehouse that is scheduled for demolition. The new building would provide proper facilities to accommodate advanced maintenance training, and integrate the Basic Electric and Electronic School into the electricians curriculum.

The FY 1990 request also includes $2.3 million for a Child Care Center. The need for a center at Great Lakes is pressing. Existing facilities only accommodate 14% of the children needing care. A long waiting list already exists. Children that cannot be accommodated must seek care in civilian facilities, private sitters, or in inadequate Veteran's Administration programs. The proposed center will provide the necessary care facility for 300 school and pre-school age children and infants.

As you know Madame Chairwoman, child care centers go a long way towards alleviating the unique problems incurred by military parents who are single, married and working, or with other special needs. In addition, the ability of our government to provide these centers and their services can have dramatic positive effects on retention in our armed services.

Finally, $17.2 million is requested for improvements and repairs to 262 enlisted personnel units at the Great Lakes Navy Public Works Center. The request includes necessary repairs, maintenance, and improvements in units located in Forrestal Village, or "Flinstone Village" -- the name given to the area as a result of the overall poor quality and dilapidated nature of many of its buildings. Currently, the interior layouts and amenities fall far below present-day standards, and many items violate present safety codes.

The requested funds will substantially improve the quality of life for many of Great Lakes' dedicated personnel. These improvements will help sustain the Navy's impressive retention rates so crucial to the proper functioning of our all-volunteer force.

The Great Lakes Naval Hospital, located on the grounds of the Training Center, provides a full range of health care services to active duty Navy and Marine Corps personnel and active members of the other uniformed services. It is also the home of training and educational facilities for naval medical students. The request includes two projects at the Naval Hospital -- $10.47 million for new Bachelor Enlisted Quarters, and $1.8 million for an addition to the Hospital Corps School.

The Hospital Corps School does not have adequate berthing spaces. Enlisted personnel currently stay in overloaded facilities that are below Defense Department berthing standards. The funds for Bachelor Enlisted Quarters will provide spaces for 416 enlisted personnel, and I understand that a follow-on project will accommodate the remaining 253 authorized Hospital Corps enlisted personnel. The funds will be spent on a multi-story, steel-frame building with the necessary amenities to ensure the comfort and retention of the enlisted personnel training at the hospital.

The request also includes $1.8 million for an addition to the Hospital Corps School. In response to substantial growth in patient care technology, and the need to improve patient care, the corps school recently increased from 10 to 12 weeks the training course for the corpsmen A-school training. At the same time, the amount of hands-on training in mock hospital wards was increased by two classes per day. These changes represent a 30% increase in student population and necessitate a greater instructor to student ratio. The schools staff has grown from 103 to 147, and 50 computer instruction systems have been procured.

Due to the shortage of space, medical personnel must train in unused hospital wards located a quarter of a mile from the school. Class scheduling requires students to move in formation from the school to the hospital one or more times daily in the middle of their instruction. The requested addition will provide the building and necessary medical training space, instructor work areas, and computer instruction centers, to ensure adequate medical services and facilities are maintained at Great Lakes.

At the Glenview Naval Air Station, $600,000 is requested for a tactical air command center. The air station requires adequate space to train maintenance personnel for the KC-130T program and to operate the Tactical Air Command Center (TACC) located at Glenview. Currently, both of these missions are conducted in a hanger too small to accommodate their important training requirements. In addition, the hanger's location does not allow for the use of high frequency antennas, stifling the ability of the air command to communicate with other air control centers. Approval of funds for this project will ensure that the guard and reserve personnel at Glenview have the facilities to accomplish their current air command mission requirements.

Finally, $4.7 million is being requested for a much-needed Bachelor Enlisted Quarters. Presently, almost all the available facilities date back to 1942 and are in a state of serious decay. The requested quarters will provide the necessary 132 new units to ensure adequate housing space for Glenview's enlisted personnel.

Madame Chairman, I appreciate this opportunity to discuss with you these important programs to improve military effectiveness and efficient training and maintenance at the Great Lakes Naval Training Center, and the Glenview Naval Air Station.

Mrs. **Schroeder**. Well, we thank you very much. Obviously, you have been so patient listening to all of this, there is no need to go through it again. I know you have heard it before. We will sure look at everything with the budget constraints, and we really appreciate your unique situation, because we are aware of the base closing and what all has been going on. So, we thank you for being here. Congressman Martin?

Mr. **Martin**. John, you said if the Base Closing Act goes into effect, that you will be back for more money for replacement facilities. But, that will not be this fiscal year, obviously.

Mr. **Porter**. It will not be this year?

Mr. **Martin**. No, you will not be looking for additional monies in this fiscal year.

Mr. **Porter**. No.

Mr. **Martin**. All of the projects to which you speak here at both the other facilities are presently in the Budget?

Mr. **Porter**. In the Budget, right.

Mr. **Martin**. I thank you very much for coming. Appreciate your testimony.

Mr. **Porter**. Thank you.

Mrs. **Schroeder**. Congressman Blaz.

Mr. **Blaz**. John, on the use of what is now for sure part of it, or the Reserve, what components are envisioned here? Are they Army, Air Force, Marine Corps?

Mr. **Porter**. Army.

Mr. **Blaz**. Army——

Mr. **Porter**. All Army.

Mr. **Blaz**. I think that is a very commendable idea.

Mr. **Porter**. There is a new commissary, a new PX, and a new intelligence training center—all that have been built within the last 8 years or so. Brand new facilities. It would be a shame to lose these facilities. I think the Department of the Army, Colonel Johnson, who is the Commanding Officer of the Garrison, I think is being very wise to suggest to the Department of the Army that all of those new facilities be incorporated in the Reserve component, that would remain if the base is going to close.

Mr. **Blaz**. The new name is going to be?

Mr. **Porter**. Well, he is suggesting Fort Sheridan. I think that is wonderful. It is ironic in the extreme, it seems to me, that there has just been approved a statue of Philip Sheridan to be erected at Fort Sheridan. At the same time, the Base Closing Commission says that the base should close. So, hopefully, we can build that statue in front of a building that will house a museum and library of the old Fort on the Reserve facility. We have a medical facility for veterans, and we have lots of veterans in our area there, who could come to it and get services that they are now getting at Fort Sheridan. It is a dispensary.

Mr. **Blaz**. Thank you.

Mrs. **Schroeder**. Thank you very much, John.

Mr. **Porter**. Thank you, Madam Chairwoman. Thank you very much.

Mrs. **Schroeder**. Our next witness this morning is my neighbor from New Mexico, who we're always happy to see, Congressman

Bill Richardson. Bill, we, too, apologize for running a little behind. Welcome. We're glad to have you here, and the floor is yours.

STATEMENT OF HON. BILL RICHARDSON, A REPRESENTATIVE FROM NEW MEXICO

Mr. RICHARDSON. Thank you, Madam Chairwoman. I will also be very brief and do you all a favor. Let me just tell the Chairperson that I saw her this morning on Donahue and she was very good.

Mrs. SCHROEDER. Thank you.

Mr. RICHARDSON. Madam Chairwoman, I have two points to make. First, is the request for National Guard armories for my State, totaling $8 million. These are five armories of five different communities. These have been matched by the Legislature funds in the State of New Mexico, which just concluded their proceedings yesterday. The Governor is signing them, I believe, today. They are part of the National Guard Armory plan. They are, it is my understanding, in the budget, and I request, once again, assistance from this subcommittee in funding these five, which are described in my statement.

The second part of my request, Madam Chairwoman, is just to alert the committee that later I will be asking for authority to turn over Fort Wingate, an Army depot, that was part of the base closings, as an ammunition dump. Turn it into a National Guard training facility. It's my understanding that we first have to await the official closure by the Congress before we proceed.

But, my objective here is, giving ownership of the Wingate facility to the National Guard, I believe, is the most logical transition. It would keep some of the jobs in the community. The National Guard is also very interested in this facility. I just want to alert the committee that later I will be coming to ask for a transfer of ownership of this Fort Wingate base to the National Guard.

Madam Chairwoman, that is the extent of my statement, unless you want me to describe each of my armories in detail.

PREPARED STATEMENT OF HON. BILL RICHARDSON, A REPRESENTATIVE FROM NEW MEXICO

I WOULD LIKE TO THANK THE CHAIRPERSON FOR THIS OPPORTUNITY TO TESTIFY BEFORE THE SUBCOMMITTEE. I KNOW TIME IS VERY SHORT AND I WILL SUMMARIZE MY CONCERNS BRIEFLY.

AS YOU MAY KNOW, NEW MEXICO HAS ENTERED A PERIOD OF EXTENSIVE STATEWIDE ARMORY CONSTRUCTION. ARMORIES AND OTHER FACILITIES WERE LARGELY OVERLOOKED IN NEW MEXICO FROM THE LATE 1960'S THROUGH 1982. SINCE THIS TIME NEW MEXICO HAS EMBARKED ON A MASSIVE STATEWIDE REORGANIZATION OF NATIONAL GUARD UNITS WHICH I WOULD LIKE TO SEE CONTINUE.

THE NEW MEXICO STATE LEGISLATURE RECENTLY APPROPRIATED $5.2 MILLION FROM THE GENERAL FUND TO THE STATE ARMORY BOARD FOR EXPENDITURE ON SEVERAL NATIONAL GUARD PROJECTS. THE BILL IS EXPECTED TO BE SIGNED INTO LAW IN THE NEXT COUPLE OF WEEKS. I WOULD LIKE TO SECURE FEDERAL FUNDS FOR THESE PROJECTS.

SPECIFICALLY, I AM REQUESTING DESIGN AND CONSTRUCTION FUNDING OF $1.4 MILLION FOR THE ARMORY IN BELEN, NEW MEXICO; $1.1 MILLION FOR THE ARMORY IN FARMINGTON, NEW MEXICO; AND $1.6 MILLION FOR THE ARMORY IN CLOVIS, NEW MEXICO. I AM ALSO REQUESTING $908,000 FOR CONSTRUCTION OF A U.S. PROPERTY AND FISCAL OFFICE IN SANTA FE, NEW MEXICO, AND $3 MILLION FOR A COMBINED SUPPORT MAINTENANCE SHOP IN SANTA FE. I WANT TO STRESS THAT ALL FIVE OF THESE PROJECTS PASSED THE STATE LEGISLATURE AND ARE PENDING THE GOVERNOR'S APPROVAL.

I WOULD ALSO LIKE TO TAKE THIS OPPORTUNITY TO EXPRESS MY CONCERN ABOUT ANOTHER MILITARY INSTALLATION IN MY DISTRICT. AS YOU MAY KNOW, THE COMMISSION ON BASE REALIGNMENT AND CLOSURE RECOMMENDED THE CLOSURE OF THE FORT WINGATE ARMY DEPOT IN GALLUP, NEW MEXICO. WHILE I WILL NOT VOTE AGAINST THE BASE CLOSING PACKAGE, I BELIEVE THE FORT WINGATE FACILITY SERVES AN IMPORTANT FUNCTION. SHOULD THE FORT WINGATE BASE CLOSE, I WANT TO SEE THAT THE FACILITY IS PUT TO THE BEST USE AND THAT THE FORT WINGATE EMPLOYEES AND THE COMMUNITY ARE WELL TAKEN CARE OF.

I WOULD LIKE TO EXPRESS MY SUPPORT FOR THE NATIONAL GUARD TO ACCEPT OWNERSHIP OF THE FORT WINGATE BASE THROUGH THE NEW MEXICO STATE ARMORY BOARD. I BELIEVE GIVING OWNERSHIP OF THE FORT WINGATE FACILITY TO THE NATIONAL GUARD IS THE MOST LOGICAL TRANSITION. FORT WINGATE COULD BE CONVERTED INTO A NATIONAL GUARD LOCAL TRAINING AREA, SAVING MANY OF THE JOBS HELD BY FORT WINGATE EMPLOYEES AND ALSO BRING NEW JOBS TO THE COMMUNITY. I BELIEVE IT WOULD BE IN THE BEST INTERESTS OF THE EMPLOYEES OF FORT WINGATE, THE NATIONAL GUARD, AND THE CITY OF GALLUP TO TRANSFER OWNERSHIP OF THE FORT WINGATE BASE TO THE NATIONAL GUARD. I HOPE TO SEE EFFORTS MOVE IN THIS DIRECTION.

THANK YOU FOR GIVING ME THE OPPORTUNITY TO TESTIFY BEFORE THE COMMITTEE. I WILL BE MOST APPRECIATIVE OF YOUR CONSIDERATION OF THESE IMPORTANT NATIONAL GUARD PROJECTS.

BELEN ARMORY PROJECT (PRIORITY 1)

a. Project Description. Construction of a new 100 person, 32813 sq. ft. Battalion HQ Armory located in Belen. The objective of this new construction is to provide a modern, energy efficient facility to replace a functionally obsolete building.

b. Current Project Status. No work has been done on this project.

c. Projected Timetable. Anticipated planning and design was to begin in February 1989, however this will be moved back to July 1989 with projected construction start in April 1990 and project completion in March 1991.

CLOVIS ARMORY PROJECT (PRIORITY 3)

a. Project Description. Construction of 100 person 32,324 Sq. Ft. ADA Battalion HQ Armory located in Clovis.

b. Current Project Status. A-E selected. Design to begin 1 March 1989.

c. Projected Timetable. Design development completion projected for August 1989, construction start November 1989 and project completion November 1990.

FARMINGTON ARMORY PROJECT (PRIORITY 2.

a. Project Description. Construction of a new 100 person, 26329 sq. ft. Battery Armory building in Farmington.

b. Current Project Status. A-E selected, design to begin 1 March 1989.

c. Projected Timetable. Design development completion July 1989, construction start October 1989 with project completion in October 1990.

COMBINED SUPPORT MAINTENANCE SHOP

a. Project Description. This project proposes a 49,000 sq. ft. Maint. Shop in Santa Fe. The funding request includes required site development costs, utility extension.

b. Current Progress Status. Federal funds were previously appropriated for design and engineering services. This project is currently in design.

c. Projected Timetable. Anticipated design development should be completed in August 1989, with construction start planned in October 1989 and project completion in October 1990.

US PROPERTY AND FISCAL OFFICE

a. Project Description. This project proposes a 25459 sq. ft. USPFO Warehouse in Santa Fe. The funding request includes required site development costs, utility extension.

b. Current Progress Status. Federal funds were previously appropriated for design and engineering services. This project is currently in design.

c. Projected Timetable. Anticipated design development should be completed in August 1989, with construction start planned in October 1989 and project completion in October 1990.

Mrs. **Schroeder**. No, but we really thank you. I mean, it says how much you care about this State, because you are always here when there is any issue. We really appreciate your coming and spending the time and your patience with this committee this morning. I think we all appreciate your brevity, and yet, we understand that that means you really care about them. So, we thank you. Congressman Martin.

Mr. **Martin**. Just two questions, Bill. One, the $8 million you speak of for the armories, that is in the proposed Budget——

Mr. **Richardson**. Right.

Mr. **Martin**. Two, as far as Wingate is concerned, I do not have my copy of the report here. Relative to Wingate, did the Commission indicate any extent of any income from the disposal of Wingate?

Mr. **Richardson**. I do not believe they did. In fact, they mentioned a number of hazardous waste problems that still have to be cleaned up. It is not a facility that has outstanding construction buildings. But, my hope would be just to transfer it to the Guard to make it a training center.

Mr. **Martin**. Thank you.

Mrs. **Schroeder**. Thank you. Congressman Blaz.

Mr. **Blaz**. Since his statement is very brief, I, too, shall be brief. You were precise, concise, wise. Thank you.

Mrs. **Schroeder**. Thank you, Bill.

Mr. **Richardson**. Thank you, Madam Chairwoman.

Mrs. **Schroeder**. Next we have Congressman Robert Lindsay Thomas from Georgia, who we are very happy to have here. He is being accompanied by the Mayor of Woodbine, Georgia, The Honorable Donald Mitchell. So, we welcome both of you to the committee this morning. Apologize, Mayor, we didn't mean to keep you waiting. Sorry, we get over-ambitious up here and try to do too much in too little time. But, I know the same thing probably happens in your council meetings. So, we welcome you, and Congressman Thomas, the floor is yours.

STATEMENT OF HON. ROBERT LINDSAY THOMAS, A REPRESENTATIVE FROM GEORGIA. ACCOMPANIED BY THE HON. DONALD MITCHELL, MAYOR OF WOODBINE, GA

Mr. **Thomas**. Thank you, Madam Chairwoman. First of all, let me thank you and the other Members of the subcommittee for allowing me to appear before you today to discuss my concern about the Department of the Navy's request for Community Impact Assistance, shortened is CIA, the Program for Kings Bay.

Appearing with me is Mayor Donald Mitchell of Woodbine, Georgia. He also serves as Chairman of the Kings Bay Impact Coordinating Committee [KBICC], and Roger Alderman, Trident Impact Coordinator.

Before I begin my formal testimony, Madam Chairwoman, I would like to take this opportunity to congratulate you on your selection as Chairwoman of this very distinguished subcommittee. All of us in the Congress are very aware of your active involvement and strong support for those programs which improve the quality of life for our servicemen and women. All of the members of this subcommittee have been leaders in that effort, as well, I might add.

Madam Chairwoman, this is not the first time I have appeared before this subcommittee to express my strong support for the Community Impact Assistance Program at Kings Bay. It is, however, the first time that I have appeared before you when the Department of the Navy's request for CIA funding did not equal the amount requested by the local communities impacted by the tremendous growth associated with the build-up at Kings Bay.

As you know, the Navy has requested $3.77 million for the CIA program in fiscal year 1990, and has requested no funding for the program in fiscal year 1991. The KBICC, which is comprised of local representatives from the county in Georgia and the county in Florida impacted by the growth at Kings Bay, has requested $11.349 million in fiscal year 1990 and $6.143 million in fiscal year 1991, for a difference of approximately $13.722 million over the next 2 fiscal years.

As I stated earlier, this is the first time in the first-year history of the CIA program that the Navy and the KBICC have disagreed on project funding. Over the years, the KBICC has earned a deserved reputation from the Authorization and Appropriations Committees for being very wise stewards of their funding, and for requesting the minimum amounts necessary to meet their most urgent school construction and general Government needs. The KBICC has in the past cut its own local requests dramatically in order to keep within fiscal restraints.

I have carefully reviewed, along with staff, the disagreement between the KBICC and the Navy, and I have no doubt that the KBICC requests for projects funding over the next 2 fiscal years are justified.

The primary disagreement between the Navy and the KBICC is over funding for school construction. The local communities have nearly reached the State of Georgia cap on the amount of local taxes that can be expended for funds. They have secured special supplemental funding from the State to help finance the construction of a new high school and elementary school. They have borrowed against future regular State funding entitlements for schools.

All of this they have done in support of schools to accommodate children coming into the area as a result of Kings Bay. If we do not provide the required CIA money over these next 2 years to complete the school construction requirements, we will have built a facility at Kings Bay that spared no expense for submarines and weapons systems, but which shortchanged our children.

This disagreement over school construction needs stems from the fact that the Navy and the KBICC have disagreed on projected school enrollment over the next 10 years. The Navy and the Office of Economic Adjustment project a total school enrollment of 7,000 students by the year 1998. The KBICC projects a total school enrollment of 8,000 students by 1998.

The KBICC projections are based on the results of an independent consultant's study which had been formally requested by the Navy. Now that the study is complete and projected enrollment is significantly higher than the Navy figures, the Navy wishes to repudiate the results of that study.

The Navy and the Office of Economic Adjustment will acknowledge that they did under-estimate the impact of the growth at Kings Bay on student enrollment in the high school. Given the fact that approximately 83 percent of the incoming Navy adult population at Kings Bay is between the ages of 23 and 28, it was assumed that their children would not impact on the high school.

But that assumption has been proven wrong. There are already 300 more students in the high school today than had been originally projected by the Navy and OEA. Now, the independent consultant study estimates that 800 more high school students will be enrolled by the year 1998, for a total of 2,100 students.

The communities, who acted in good faith on the enrollment projections first provided by the Navy and the OEA, have expended nearly $20 million of the $38 million appropriated for the impact program to build elementary schools and a middle school to accommodate the tremendous increase in younger-age school children.

Basically, this largely rural county with very limited resources threw every dime that it had into elementary and middle school construction to meet the immediate and vital educational needs of Navy and other children. They did that on the assumption presented by the Federal Government that they would not need a new high school. Now, everyone agrees that the existing high school, which was built to accommodate only 1,075 students, is simply not adequate.

The Navy contends that the current high school can be expanded to accommodate 2,100 students by the year 1998. But the truth of that matter is that simply adding a wing of classrooms will not solve the problem. The core structure of the high school was built to hold a maximum of 1,075 students. The hallways, the lunchroom, the administrative offices, the gym, the kitchen facilities—everything is too small for the anticipated growth.

Renovation or expansion of these core structures would be very lengthy, and would totally disrupt ongoing educational instruction. In addition, the current site of the high school is not large enough to accommodate such an expansion and still provide an adequate amount of parking, school bus access, and recreational fields. Based on all of these factors, I believe the recommendation of the independent consultant to replace the high school is the only answer to the problem.

I know that resources to fund the military construction program this year are limited. At the same time, we simply cannot lose sight of the fact that the KBICC has an exemplary record of limiting their request for Federal support, and I feel it would be a grave injustice to abandon the impact program when it is the sons and the daughters of military personnel who are going to suffer as a result.

The representatives of the communities surrounding Kings Bay who serve as members of the Impact Coordinating Committee fully realize that impact funding is not an endless pot of money that they can rely on to meet their general Government and school construction requirements. They have asked me to tell you that they are fully prepared to accept the termination of the program in fiscal year 1991. The additional cost for education and other needs after that will be their responsibility entirely.

Madam Chairwoman, let me reiterate my very strong belief that the KBICC requests for funding over the next 2 fiscal years are reasonable and that they certainly are justified. It is my sincere hope that the subcommittee will authorize the KBICC requests for funding as they have been presented. Thank you very much.

Mrs. SCHROEDER. Well, thank you very much. Mayor, we understand you are here just to be supportive, and we appreciate the local approach that is so important. You have listened to more of this than you ever want to listen to, so probably you have got the picture. We took the hardest hit of any part of the Budget, and of course, we have all of the places whose bases are closed, who are really upset about what is happening. So, we are going to do everything we can to try to be fair, and we will fight very hard for localities. But, boy, it is not going to be an easy year. So, we thank you for being here and making your case.

PREPARED STATEMENT OF HON. ROBERT LINDSAY THOMAS, A REPRESENTATIVE FROM GEORGIA

Madam Chairwoman, first of all let me thank you and the other members of the Subcommittee for allowing me to appear before you today to discuss my concern about the Department of the Navy's request for the Community Impact Assistance (CIA) Program for Kings Bay.

Appearing with me is Mayor Donald Mitchell of Woodbine, Georgia, who also serves as Chairman of the Kings Bay Impact Coordinating Committee (KBICC), and Mr. Roger Alderman, Trident Impact Coordinator.

Before I begin my formal testimony, Madam Chairwoman, I would like to take this opportunity to congratulate you on your selection as Chairman of this very distinguished Subcommittee. All of us in the Congress are very familiar with your active involvement and strong support of those programs which improve the quality of life for our servicemen and women. All of the members of this Subcommittee have been leaders in that effort.

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All of this they have done in support of schools to accommodate children coming into the area as a result of Kings Bay. If we do not provide the required CIA money over these next two years to complete the school construction requirements, we will have built a facility at Kings Bay that spared no expense for submarines and weapons systems, but which shortchanged our children.

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But that assumption has been proven wrong. There are already 300 more students in the high school today than had been originally projected by the Navy and OEA. Now, the independent consultant study estimates that 800 more high school students will be enrolled by the year 1998, for a total of 2,100 students.

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The representatives of the communities surrounding Kings Bay who serve as members of the Impact Coordinating Committee fully realize that impact funding is not an endless pot of money they can rely on to meet their general government and school construction requirements. They have asked me to tell you that they are fully prepared to accept the termination of the program in Fiscal Year 1991. The additional cost for education and other needs after that will be their responsibility entirely.

Madam Chairwoman, let me reiterate my very strong belief that the KBICC requests for funding over the next two fiscal years are reasonable and justified. It is my sincere hope that the Subcommittee will authorize the KBICC requests for funding as presented.

Thank you very much.

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STATEMENT OF

HONORABLE DONALD MITCHELL

Thank you Madam Chairwoman and members of the Subcommittee for allowing me to submit remarks to you concerning the Kings Bay Impact Coordinating Committee's program request for Fiscal Year 1990 Community Impact Assistance funding. But first, Madam Chairwoman, on behalf of the Coordinating Committee and the Kings Bay Area communities, I wish to express a sincere statement of gratitude and appreciation to the members of the Subcommittee for the support that has been given over the years, but most of all, for understanding the nature and level of transformation that the Naval Submarine Base, Kings Bay has brought to our communities.

The decision by the Department of the Navy to locate the East Coast Trident Submarine Base at Kings Bay, Georgia has transformed a once rural coastal area into a fast tract growth center with the social, economic, and public service requirements of the various area jurisdictions having no resemblance to their pre-1979 status.

No aspect of community public service has gone without demand strain. The challenge of this growth has required the complete transformation of local area governments and public service delivery systems. Over the past six years some $64.5 million has been programed for service delivery-related capital projects. Of this total, $27.13 million (42%) has come from local/state resources, whereas $37.37 million (58%) has been provided by Congress through the Community Impact Assistance Program. A program, Madam Chairwoman, that has enabled our communities over the past six years to address the quality-of-life issues that growth impact of this magnitude forces upon a locality. I wish to re-emphasize the gratitude of our residents, both civilian and military, for the foresight and leadership that Congress has provided through the program. In straight talk, we simpley could not have made the transition to this point without your help.

This request made in the seventh year of the program, is the most critical. It is at this point that many prior assumptions and projections relative to the basic impact on our communities are being found to be invalid. As with any planning process, and especially one dealing with an anticipated 97 percent population growth rate, a fresh look and update are necessary to ensure a realistic attainment of goals. Tha major elements of the FY 90 request represents projects that are required in great part as a result of unanticipated impact on service delivery systems. This factor along with bugetary pressure on the Department of Defense and the Department of the Navy has created for the first time a situation wherein the Navy and the Coordinating Committee have not been able to come before this subcommittee with a mutually agreed upon program request. Madam Chairwoman and members of the subcommittee, the Administration's request contained in the proposed FY 90 budget is unrealistic and if adopted will not only create an unfair and excessive burden on our residents, but most importantly place our communities in the position of not being able to address the critical needs outlined in our program request. Our communities do not have resources to make up a difference of approximately $13.722 million. A program deficit of this magnitude would result in school overcrowding exceeding some two thousand students by 1998.

Prior to addressing the Coordinating Committee's position and justification of the FY 90 request, I would like to state for the record that the Committee is fully aware of the need to terminate the program in the near future. Even though our analysis indicates that the true impact of NSB, Kings Bay on our communities is just beginning and that factors point to an ever increasing demand on O & M resources, our communities are prepared to schedule program termination with the programs contained in our FY 90 and FY 91 request, subject to the findings of two ongoing studies relative to recreation and Nassau County, Florida which the Office of Economic Adjustment (DOD) had agreed to consider. Even with these two concerns included (estimated amounts are noted in the projected FY 91 needs), the program can be phased out in FY 91 if the needed funds are made available.

In light of the termination of the CIA program, the Committee is proposing a final funding effort for Fiscal Year 1990 and 1991 that will address those most critical needs that have fallen through the planning process or for which previous efforts have proven inadequate. By proposing this course of action, KBICC is seeking to use remaining CIA funds for the maximum benefit of the impacted jurisdictions and their federally connected residents. Plainly speaking, we are attempting to achieve "the most bang for the buck" in a way that will give the local governments the facilities most needed for the duration of the impact growth time period. A time period projected to last through 1998 and which will in any reckoning, bring at least as many people into the Kings Bay area as have arrived between 1980 and the present.

Looking at the challenges and demands of future growth, we have no illusions as to the extent of the problems we are facing. By approving the Committee's FY 1990 program request, the Congress will have provided the Kings Bay area with a means for addressing a scope and magnitude of future growth that is just now becoming apparent. To leave the community at this critical point in time would result in persistent and aggravated problems in the local governments' delivery of vitally important services - services needed by Navy and non-Navy families alike. Continued assistance to the Kings Bay Impact Program through its phasedown and termination will have measurable and marked benefits for the impacted area of Naval Submarine Base, Kings Bay during the 1990's and beyond.

In addition, I would like to make the following observations relative to to our project requests for general government and education. The first observation concerns general government. Last year, the Committee conducted a financial analysis of our local governments to determine degree of fiscal burden. Camden jurisdictions were found to have O-&-M expenditures growing at an average rate of 15% greater than available revenues. Where-as these governments had an aggregate unrestricted fund balance of 9% in comparison to expenditures in fiscal year 1985, they now face deficits of approximately 8% in the 1988 fiscal year. Projections made by KBICC show continued declines in fund balances for fiscal years 1989 and 1990. In contrast, the Fiscal Impact Analysis (FIA) developed by the Office of Economic Adjustment has continued to project a favorable financial condition, despite several attempts by the Committee to provide changes to the FIA model that would more accurately reflect local government financial structures. If these changes and audited financial data were added to the FIA, we are confident that a realistic assessment of local financial position could be produced.

In a matter similar to the FIA, the Committee has found that prior efforts to meet local impacted needs through the CIA program have not provided sufficient facility space or resources in several situations. The Committee's FY 90 request for general government projects for Camden County and the cities of Kingsland, St. Marys and Woodbine are a result of this shortcoming. Three of the four projects are for more facility space to meet impacted growth requirements that have exceeded previously estimated needs. A fourth project is the provision of equipment required by an expanding population and service area. While the general government projects represent only 9% of our total FY 90 request, they are a critical element in our phasedown strategy and should be reviewed in this context.

As to Camden County's educational needs, the following observations are in order. In 1987, officials of OICC-Trident recommended to the Camden

County School Board and to KBICC that the Committee undertake a comprehensive study of school facility needs through 1998. The recommendation was adopted by the Coordinating Committee because such a comprehensive overview had never been undertaken and the community was beginning to realize that prior projections of student enrollment made by OEA were low - especially for the Camden County High School. Subsequently, a Scope of Services was prepared with OEA and OICC-Trident participation, consultants were hired and the Carlson Report prepared. The resulting study and its recommendations have been incorporated into our FY 90 and FY 91 program. However, for the first time in the history of the CIA program the conclusions of the study were challenged and the plan of action, based on the study's recommendations, rejected by officials in the Department of Defense.

Madam Chairwoman, I feel uneasy in expressing my frustrations with the current process, but we cannot afford to make mistakes with the education of our children. For example, the team of independent consultants that prepared the school study recommended the construction of a 2,100 seat high school facility to meet the needs of a projected 2,140 enrollment by 1998.

In advocating a new high school, the Committee accepted the fact that the present facility could be converted to meet the needs of additional students. However, based on existing studies, the high school cannot realistically be expanded to meet the needs of the projected high school population.

The June 1986 Local Facilities Plan for Camden Schools called for a $7 million renovation/expansion of the facility that would increase the number of seats from 1,075 to 1,500 by 1992 - the end year of the study. Discussions with the Consultants also indicated that the school could be expanded to a maximum of 1,600 seats without adversely impacting facility programs and administration, but not to 2,140 seats.

In weighing the choices between expansion and building a new facility, the Committee has sought the opinions and recommendations of the Navy and the Office of Economic Adjustment (OEA). While OEA has stated that the existing high school should be expanded, their arguments have been of a general nature. To date, the agency has not provided KBICC with a technical assessment of expanding a 1,075 seat facility to 2,100. A second alternative, to build a 1,000 seat satellite school has been rejected due to a minimum state requirement of 970 students and because of the demographic/political divisions two competing schools would create in the community and the limited educational opportunities that would be available as the result of a division of O-&-M resources.

Consequently, the community faces a dilemma caused by the scope of the impact from NSB, Kings Bay. Construction, at this time, of a second high school to meet the anticipated needs of an increased student poulation would be unworkable. The result would be the construction of an underutilized facility. In addition, state funding would not be available to pay for the maintenance and operation of the second school until 1996. Because populations increase incrementally over a period of years, the most feasible solution would be to construct one 1,800 seat capacity high school with core facilities to accommodate 2,100 students with room for expansion.

At this point in time, representatives of the Navy and OEA agree with KBICC on the scope of projected enrollment and impact on the Community. Yet both above-mentioned parties defer to a lack of available funds to meet the impacted needs. The officials have stated that the Community should seek funds elsewhere or make due within existing means.

Camden County has exhausted available state funds and even borrowed from the State against future funding requests. The School Board currently taxes property owners at 14.5 mills and a 2 to 3 mill increase is anticipated within a year to meet the system's rising O-&-M expenditures. The State of Georgia has a 20 mill cap on system tax levels and the Community's tax effort is already above the average for similar sized jurisdictions. Under these circumstances, it is difficult to see how the Community can be expected to provide sufficient classroom space for children for which the increase in enrollment will be 75% directly federal connected.

The decision by KBICC to advocate construction of a new high school is based on consideration of the existing facility's limited capacity, site restrictions, and location in the busiest part of the "High Growth"area resulting from NSB, Kings Bay. It is the Committee's belief that the severity and scope of need justify the requested funding for a new high school facility.

The requests that are before you are not luxuries, these projects address needs that are vital to the quality of life of our residents. Simply state, without your help these needs cannot be met through other resources. Madam Chairwoman, if this is a plea then it is a plea on behalf of an impacted community undergoing radical change. Please do not leave us hanging when the CIA program ends. The requirements of the impacted needs we now address are as vital and essential as those of the past. We ask the Subcommittee, Madam Chairwoman to continue this federal/local partnership to its fullfillment.

Thank you.

SCHOOL DISTRICT CAPITAL FACILITY REQUIREMENTS AND FUNDING DISTRIBUTION PLAN

CAMDEN COUNTY, GEORGIA

KINGS BAY IMPACT COORDINATING COMMITTEE
KINGSLAND, GEORGIA

CONTENTS

INTRODUCTION.. 1

IMPACT OF NAVAL BASE ON THE CAMDEN COUNTY SCHOOL DISTRICT.............................. 2

CAPITAL FACILITY REQUIREMENTS.................................. 4

FINANCIAL IMPACT AND EXCESSIVE BURDEN...................... 6

CAPITAL FACILITY COST PROJECTIONS AND FUNDING DISTRIBUTION FORMULA.............................. 8

COMMUNITY IMPACT ASSISTANCE (CIA) PROGRAM SCHOOL FUNDING REQUIREMENTS (FY 89 - FY 91).............. 11

SUMMARY OF ACTUAL AND PROJECTED COSTS AND ALLOCATIONS.. 16

INTRODUCTION

The objective of this document is to provide a general overview of the findings and recommendations contained in the Camden County School District Facility Needs Assessment Study prepared by Carlson Associates, Inc. and to develop a funding distribution plan relative to the resource responsibility of the federal government and local/state governments for the implementation of facility requirements. Funding distribution is based on the historical and projected pupil enrollment impact of the Kings Bay Naval Facility on the capital needs requirements of the school system in relationship to the financial capability of the local system.

IMPACT OF NAVAL BASE ON THE CAMDEN COUNTY SCHOOL DISTRICT

The development and construction of Naval Submarine Base, Kings Bay in Camden County has had a profound impact on the public service delivery systems of the area. From 1980 to 1985 the county population increased by 35.4%, whereas, the four other counties in the Camden geographic area averaged only 7.6% population growth for the same five year period. Between 1985 and Feburary 1988 the Camden population increased another 22%. A population change of this degree and that which is projected for the next ten years is and will have a major effect on school enrollment. Based on the Carlson report, enrollment between 1980 and 1988 increased from 3,068 to 4,711 or 54%, and is projected to increase another 3,671 by 1998, giving a projected enrollment increase since 1980 of 173%. Of this increase, the following provides an overview of direct impact on the average daily attendance relative to student dependents of military personnel and federal civilian employees.

Federal/Non-Federal Connected Student Distribution-

Actual ADA - 1979/1988:

Total Increase	1,606.0
Average Annual Increase	178.4
Average Annual Federal Connected Increase	157.5
Average Annual Non-Federal Connected Increase	20.9
Percent of Federal Connected of Total Increase	88.3
Percent of Non-Federal Connected of Total Increase	11.7

Projected Enrollment - 1988/1998:

Total Increase	3,671.0
Average Annual Increase	367.1
Average Annual Federal Connected Increase	236.9
Average Annual Non-Federal Connected Increase	130.2
Percent of Federal Connected of Total Increase	64.5
Percent of Non-Federal Connected of Total Increase	35.5

Based on the Carlson Report, of the 5,314 student increase within the system during the primary impact period of 1980 through 1998, direct Navy impact will account for 76.4% compared to 23.6% for indirect impact and non-federal related growth.

CAPITAL FACILITY REQUIREMENTS

In 1980 the Camden County School System was composed of three elementary schools and one high school. These facilities were designed with the following student load capacities:

Kingsland Elementary	500
St. Marys Elementary	625
Woodbine Elementary	525
Camden High School	1,075
Total Student Capacity:	2,725

That same year the system had a total enrollment of 3,068 students, 343 over the system's designed capacity.

By using this analysis of known factors, an impact base point is established to permit a better understanding of the system's facility requirements relative to federal related student enrollment demands.

The Carlson report projects that by 1997/98 that the district system will require an estimated 8,382 student capacity, an increase of 5,657 seats over that existing in 1980. This capacity requirement will be distributed as follows:

Elementary	4,090
Middle School	2,079
Special Education	76
High School	2,140
Total:	8,382

To meet this projected requirement the following seating capacity expansion has taken place from 1980 through 1988. The difference being the future un-met requirements of the system between 1989 and 1998.

Elementary School Requirements:

Projected Needs	4,090
Base Point Capacity	(1,650)
Additions/Expansions:	
Crooked River	(650)
Matilda Harris	(700)
UN-MET NEEDS	1,090

Proposal To Meet Needs:

St. Marys Expansion	200
Woodbine Replacement	200
Kingsland Replacement	225
Elementary No. 6 - New	450
Elementary No. 6 Exp.	50
Proposed Capacity:	1,125

Middle School Requirements:

Projected Needs	2,079
Base Point Capacity	-0-
Camden Middle School	(825)
Mary L. Clark	(675)
Un-met Needs:	579

Proposal To Meet Needs:

Mary L. Clark - Expansion	175
Middle School No. 3 - New	450
Proposed Capacity:	625

High School Requirements:

Projected Needs	2,140
Base Point Capacity	(1,075)
Un-Met Needs:	1,065
	(2,140)

Proposal To Meet Needs:

High School - New	2,100
Proposed Capacity:	2,100

The Carlson report recommends that due to various considerations related to the expansion alternative associated with the current facility that a new complex be constructed to address projected enrollment growth.

FINANCIAL IMPACT AND EXCESSIVE BURDEN

As outlined previously, the impact of the Kings Bay Naval Project on the Camden County School district and its facility requirements is unquestionable. The Carlson study has projected an enrollment increase of 173% in the system between 1980 and 1998 and a capital facilities requirement during the same period in excess of $50 million for new and expanded capacity to serve this federally generated growth. Of this requirement, $25 million has not been funded. With direct federal impact on school enrollment increases being projected in excess of 76%, a determination has to be made as to whether a capital requirement of this magnitude would and has created an unfair and excessive financial burden on the local community.

An analysis of four historical trends (enrollment, local tax digest, local school expenditures, and property tax millage) for the period from 1984 through 1987 gives a clear illustration of the financial impact and burden that is being created. During this period student enrollment increased by 23.1%, whereas local school related expenditures increased by 50.3% (the 27.2% differential between enrollment and expenditures reflects inflation and increases resulting from quality in program level up-grades). Of this local share of expenditures, 98% was obtained from property taxes. The growth that generated this enrollment increase also resulted in a 22.4% rise in the property tax digest. The net result of these trends was a 26% increase in school related property tax millage rates.

The Carlson study compared the four (4) trends with school districts in three (3) defined groups of common characteristics (average daily attendance, population, and geographic area). In making this comparison the objective was to determine the relationship of the Camden School District in these four (4) analytical areas to like school districts (summary data from the Carlson study is illustrated in Table A). The results indicate that the Camden District was within the average performance range of the three groups in three of the four areas. In the fourth, tax millage rates, Camden County was 9% higher even though its tax digest per student was 2% higher than the average.

From this analysis it would appear that during the 1984-1987 period that the increase in enrollment has kept pace by a near equal increase in the tax digest (23.1% to 22.4%) and thus supporting the belief that normal population growth will support school O & M expenditures once an açceptable quality of program level has been achieved. But also, these same figures clearly illustrated that the residential and commercial growth that is occurring in the tax digest will not and can not support the capital requirements of the magnitude that is projected to accomodate the growth being generated by the Federal project. As previously noted, the tax millage rate necessary to support the Camden School District was 9% higher than the average of the comparison groups (it should be noted that this comparison was based on the Camden County rate prior to a 16% increase) and the magnitude of the tax rate that would be necessary to address the projected capital requirements would clearly be unfair and an excessive burden on the financial capability of the community.

TABLE A

1986-87 School Year Financial Factors Comparison

	Expenditure Per Student	Local Revenue Per Student	Tax Digest Per Student	Millage Rate Per Student
Camden County	$ 2,659.90	$ 763.79	180.3	12.50
ADA Range Median	2,659.90	626.81	138.2	11.20
Geographic Area Median	2,659.90	733.85	180.3	12.05
Population Range Median	2,830.67	775.78	210.0	10.99
Comparison Groups Average	2,711.11	712.15	176.17	11.41
Percent Difference Between Camden and Comparison Average	-2%	+7%	+2%	+9%

CAPITAL FACILITY COST PROJECTIONS
AND
FUNDING DISTRIBUTION FORMULA

As was stated in the introduction, the objective is to develop a funding distribution plan for the allocation of facility requirement cost between the federal government and local/state governments relative to the degree of enrollment impact resulting from Navy activities in Camden County.

In addition to the above stated factors, the distribution plan must also take into consideration the enrollment capacity of the system at base point (1979-1980) and the effect that capacity has had on facility requirements.

Facility Requirements Cost (Actual/Projected):

Actual Cost (1980-1987) -	
Camden Middle School	$ 3,899,779
Crooked River Elementary School	3,413,816
Mary L. Clark Middle School	5,497,271
Sub-Total:	$12,810,866
Projected Cost (1988-1998) -	
Matilda Harris Elementary School	$ 4,800,000
St. Marys Elementary School - Addition	797,882
High School - New	14,750,000
Woodbine Elementary School - New	4,572,840
Kingsland Elementary School - New	4,572,840
Mary L. Clark Middle School - Addition	548,480
High School - Addition	832,640

Elementary School # 6 - New	2,602,096
Middle School # 3 - New	3,673,648
Elementary School # 6 - Addn.	150,000
Sub-Total:	$ 37,300,426
Total Facility Requirements Cost:	$ 50,111,292

Base Point Capacity And Facility Replacement Adjustments :

The objective in this analysis is to outline those facility costs that are local in nature due to the non-impact related factors and should not be included within the cost distribution formula.

1. Base Point Capacity Adjustment.

As was previously noted, the system had a seating capacity in 1979/80 for 2,725 students and an enrollment of 3,068. This ratio gave an over capacity of 343 students. For the purpose of developing the fund distribution formula, the facility cost to house those students is being considered a pre-impact expense and thus local in nature. The majority of this number was in the middle school grouping and the base point capacity adjustment is being made based on the cost and capacity of Camden Middle School which was constructed in 1981.

Facility Cost -	$ 3,899,779
Seating Capacity -	825
Cost Per Seat -	$ 4,727
Base Point Capacity (overage)	343
Base Point Cost Adjustment	$ 1,621,361

2. Replacement Capacity Adjustment.

The Carlson Study report recommends the replacement of the existing Woodbine and Kingsland elementary schools with larger capacity facilities. The age and condition of those facilities is the major reason for a recommendation of replacement vs. expansion. This factor is not related to impact and should be reflected in the cost distribution plan.

Facility Cost	$ 9,144,000

Seating Capacity	1,450
Cost Per Seat	$ 6,307
Replacement Capacity	1,025
Replacement Capacity Cost Adjustment	$ 6,464,675

Funding Requirements Distribution :

The distribution of funding requirements between federal and local/state governments is based on the ratio of federally connected growth to non-federal connected growth adjusted by the previously noted factors.

Projected Facility Requirements (1980-1998) - $ 50,111,292.

Adjustments:

Base Point Capacity ($1,621,361)	
Replacement Capacity (6,464,675)	
Net Adjustments:	($ 8,086,036)

Net Growth Related Cost:	$42,025,256

Cost Distribution (1980 - 1998):

Federal - 76.4%	$32,107,295
Local/State - 23.6%	$ 9,917,960

COMMUNITY IMPACT ASSISTANCE (CIA) PROGRAM
SCHOOL FUNDING REQUIREMENTS (FY 1989 - FY 1991)

As outlined in the previous section, the cost distribution of the facility requirements of the system for the primary impact period (1980 - 1998) for the federal government is $ 32,107,295. Of this requirement, the following funds have been disbursed/allocated with the balance being unfunded federal requirements:

Community Impact Assistance Funding Requirements	$ 32,107,295
Prior Disbursements/Allocations	
Crooked River Elementary	($ 3,114,450)
Mary L. Clark Middle	(2,966,100)
High School Planning Grant	(500,000)
Matilda Harris Elementary	(4,000,000)
Unfunded Balance:	$ 21,526,745

Based on this unfunded balance of the federal cost share of school facility requirements, the following Community Impact Assistance (CIA) program funding requests are outlined per fiscal year. These requests are based on the funding allocations by facility project as outlined in Table B.

In developing the proposed funding allocation schedule, two main considerations were paramount. First was the fact that at this time the local financial capability of the community would not permit extensive capital financing of the level required, and second, was the expressed desire of federal agencies to reduce the federal period of responsibility. Based on these factors, but within the total funding distribution formula, projects scheduled from FY 1989 through FY 1991 were weighted for maximum federal participation, while those scheduled after FY 1991 weighted for maximum local/state participation. It should be noted that even with the fund allocation loaded for maximum federal front-end participation, there is still major concern as to the long term ability of the community to address future capital financing needs. This concern is supported by the prior analysis of student enrollment vs. tax digest growth in which it was clearly illustrated that this ratio will barely maintain O & M requirements, if at all. There is no question that over the next three (3) to five (5) years there must develop extensive growth in the non-residential /commercial sectors of the property tax digest if there is to exist the financial capability to underwrite educational related capital financing.

Program Funding By Fiscal Year :

FY 1989

High School	$ 6,448,524
Woodbine--Planning/Design	125,000
St. Marys--Expansion	259,420
Total:	$ 6,832,944

FY 1990

High School	$ 5,201,476
Woodbine--Replacement/Expansion	4,447,840
Kingsland--Planning/Design	125,000
Total:	$ 9,774,316

FY 1991

Kingsland--Replacement/Expansion	$ 4,247,840
Mary L. Clark--Expansion	548,480
Total:	$ 4,796,320

Summary:

FY 1989	$ 6,832,944
FY 1990	9,774,316
FY 1991	4,796,320
Total:	$ 21,403,580

TABLE B

Funding Allocations by Facility/Project

High School Construction

Construction of a 1800 student facility with core capability of 2100.

Projected Cost:		$ 14,750,000
Funding Allocations		
Local:	$ 500,000	
State:	2,600,000	
CIA:	11,650,000	
Total Allocations:		$ 14,750,000

St. Marys Elementary Expansion

Construction of a 200 student addition.

Projected Cost:		$ 797,882
Funding Allocations		
Local:	$ 38,462	
State:	500,000	
CIA:	259,420	
Total Allocations:		$ 797,882

Woodbine/Kingsland Elementary Replacements

Replacement of inadequate facilities by the construction of two (2) 725 seat elementary schools.

Projected Cost:		$ 9,145,680
Funding Allocations		
Local:	$ -0-	
State:	200,000	
CIA:	8,945,680	
Total Allocations:		$ 9,145,680

Mary L. Clark Expansion

Construction of an eight (8) classroom addition to house 175 students.

Projected Cost:		$ 548,480
Funding Allocations		
Local:	$ -0-	
State:	-0-	
CIA:	548,000	
Total Allocations:		$ 548,480

High School Expansion

Construction of a 300 student capacity addition.

Projected Cost:		$ 832,640
Funding Allocations		
Local/State:	$ 832,640	
CIA:	-0-	
Total Allocations:		$ 832,640

Elementary School No. 6

Construction of a new 450 student facility.

Projected Cost:		$ 2,602,096
Funding Allocations		
Local/State:	$ 2,602,096	
CIA:	-0-	
Total Allocations:		$ 2,602,096

Middle School No. 3

Development of a new 450 student Middle School with a core capacity for 750 students.

Projected Cost:		$ 3,673,648
Funding Allocations		
Local/State:	$ 3,673,648	
CIA:	-0-	
Total Allocations		$ 3,673,648

Elementary School No. 6 Expansion

Construction of a 50 seat addition.

Projected Cost:			$	150,000
Funding Allocations				
Local/State:	$	150,000		
CIA:		-0-		
Total Allocations:			$	150,000

SUMMARY OF FUNDING ALLOCATIONS:

Local/State:	$ 11,096,846	34%
CIA:	$ 21,403,580	66%
Total:	$ 32,500,426	100%

SUMMARY OF ACTUAL AND PROJECTED COSTS AND FUNDING ALLOCATIONS

The Capital Facility funding allocations contained in the plan outlined in this document represents a fair and equitable distribution of responsibility for impacted facility requirements between the federal and local/state governments. In developing the plan every effort was made to address those factors that influence the actual determination of direct federal impact on student enrollment increases and the relationship of those increases to facility requirements and costs. Along with this factor, the local communities financial ability to address these requirements within the scope of financial reality and the degree and level of unfair and excessive burden was established.

The funding distribution plan is based on data contained in the _Camden County School District Facility Needs Assessment Study_ prepared by Carlson Associates, Inc.

Table C provides a summary of actual and projected facility cost along with actual and projected funding distribution by facility based on the proposed plan.

TABLE C

Summary of Actual and Projected Allocations

Facility	Local/State	Federal	Total
Actual:			
Camden Middle	$ 3,899,779	$ -0-	$ 3,899,779
Crooked River	299,366	3,114,450	3,413,816
Mary L. Clark	2,531,171	2,996,100	5,497,271
Sub-Total:	$ 6,730,316	$ 6,080,550	$ 12,810,866
Projected:			
Matilda Harris	$ 800,000	$ 4,000,000	$ 4,800,000
St. Marys	538,462	259,420	797,882
Woodbine/Kingsland	200,000	8,945,680	9,145,680
Mary L. Clark Exp.	-0-	548,480	548,480
High School-New	3,100,000	11,650,000	14,750,000
High School Exp.	832,640	-0-	832,640
Elementary No. 6	2,602,096	-0-	2,602,096
Middle School No. 3	3,673,648	-0-	3,673,648
Elementary No. 6 Exp.	150,000	-0-	150,000
Sub-Total:	$ 11,896,152	$ 25,403,580	$ 37,300,426
Totals:	$ 18,627,152	$ 31,484,130	$ 50,111,292
Adjustments:			
Base Point Capacity:	(1,621,361)	-0-	(1,621,361)
Replacement Capacity:	(6,464,675)	-0-	(6,464,675)
Adjusted Totals:	$ 10,541,116	$ 31,484,130	$ 42,025,256
Actual Percentage:	25%	75%	100%
Formula Percentage:	23.6%	76.4%	100%

KINGS BAY
COMMUNITY IMPACT ASSISTANCE PROGRAM
FISCAL YEAR 1990

KINGS BAY IMPACT COORDINATING COMMITTEE
KINGSLAND, GEORGIA

CONTENTS

PAGE

Introduction 1

Statement of Impact 2

Statement of Fiscal Burden 4

Statement of Program Strategy 9

Community Impact Assistance Program - FY 1990

- Program Summary 11
- Local/Federal Funding Distribution Ratios 12
- Program Description By Jurisdiction
  - Camden County Board of Commissioners 17
  - City of Kingsland 19
  - City of St. Marys 21
  - City of Woodbine 25
  - Camden County Board of Education 27

Capital Improvement Program (FY 1989 - FY 1990) 28

INTRODUCTION

The objective of this document is to present the project requests which have been submitted by Kings Bay area governments for funding consideration under provisions of Section 802 of P.L. 96-418, as amended, and adopted for recommendation by the Kings Bay Impact Coordinating Committee. Projects included in the FY90 program request were evaluated relative to the legislative intent of Congress and determined to be required by local governments located near the East Coast Trident Submarine Base at Kings Bay, Georgia, currently under construction, to meet the increasing demand by impact-related growth for additional public services. FY90 Program Funds have been recommended for allocation based on an evaluation of total area needs in relationship to the limited nature of Community Impact Assistance (CIA) resources.

STATEMENT OF IMPACT

The decision by the Department of the Navy and subsequent construction of the East Coast Trident Submarine Base at Kings Bay, Georgia, is transforming a once rural coastal area into a fast tract growth center with the social, economic, and public service requirements of the various area jurisdictions having no resemblance to their pre-1979 status. To illustrate this fact one only has to consider the pace with which Camden County, Georiga's population is changing. For the twenty year period from 1960 to 1980 the county's population increased by only 34% or 1.7% annually, whereas over the seven year period since 1980, the increase has been 66% or 9.4% yearly. This five and a-half times increase in the annual growth rate is but a simplified measurement of the true change that is occurring.

No aspect of community public service requirements has gone without demand strain. The challenge of this growth has required the complete transformation of local area governments and public service delivery systems. Over the past six years some $64.5 million has been allocated for service delivery related capital projects. Of this total, $37.4 million has been provided by Congress through the Community Impact Assistance Program, but the balance of $27.1 million has come from local/state revenues.

Through these projects a great deal has been accomplished to establish a sound infrastucture for future service demands, but there are still critical unfunded impact related requirements that must be met if Kings Bay area governments are to efficiently address service demands. These requirements include among others - education, recreation, community facilities, solid waste and public safety.

With Congressional enactment of Section 802 of P.L. 96-418, as amended, federal public policy clearly set forth that no community would be required to meet the excessive and unfair burden of providing public service needs resulting from the fast growth created by the location of a federal facility. As illustrated later in this document, the financial requirements of both operational and capital expenditures over the past three (3) years has resulted in an excessive burden that is anticipated to continue at various levels over the next several years.

The communities that compose the Kings Bay Impact Area are at a cross-road relative to their ability to meet the future operational requirements of the service demands of impact induced growth and at the same time maintain a sound financial position. As indicated previously, the initial seven years of impacted growth swelled area population at an annual rate of 9.4 percent. Current estimates are that the next ten years will produce an annual growth rate of over 7.9 percent. This rate of impacted growth represents a projected population change of 97 percent.

The magnitude of the growth rate and change on a rural based local economy and public service delivery system is beyond the span of normal reality, but through a partnership of Congress, local community leaders, and officials of the Department of Defense great strides have been made and are being made to ensure that community needs and quality of life is maintained. The requirements for impacted needs in the future are as important and essential as those of the past.

STATEMENT_OF_FISCAL_BURDEN

A critical factor in determining the level of CIA funding to Kings Bay jurisdictions is the financial capability of these local governments to meet impact needs without federal assistance. When the governmental funds of the four Camden County, Georgia jurisdictions (Camden County, St. Marys, Kingsland and Woodbine) are reviewed by the restricted/unrestricted fund classification, fund balances are shown to be insufficient for the impact related needs facing these communities.

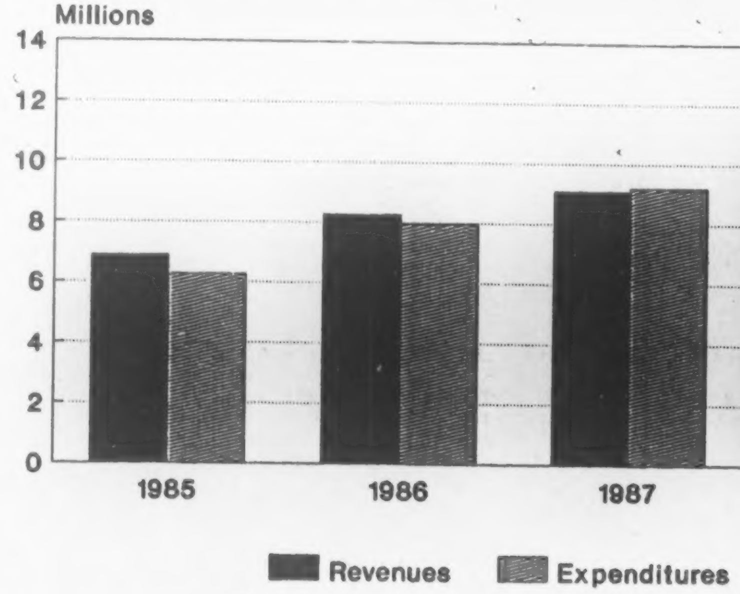
As shown by the following tables, between Fiscal Year 1985 and FY 1988 both revenues and expenditures for the Camden local governments grew rapidly. However, by FY 87 (the last year of audited data presently available), expenditures slightly exceeded revenues for both unrestricted and restricted funds.

When the FY 88 budgets are adjusted for prior year carry forward and borrowed funds, unrestricted expenditures exceed unrestricted revenues by 8%, versus an unrestricted balance of 9% in FY 85. The declining unrestricted fund balances and an average annual expenditure growth of 15% over revenues for FY 85 through FY 87 indicate a worsening financial position for Camden local governments. While it remains to be seen whether the residential and residential-related commercial growth now taking place in Camden County will provide the tax revenues needed to effectively operate local services in the future, it is evident that the jurisdictions do not have sufficient resources to build the facilities presently needed for impact related growth.

CONSOLIDATED FINANCIAL ANALYSIS FOR
CAMDEN JURISDICTIONS - UNRESTRICTED FUNDS

	FY 85	FY 86	FY 87	FY 88
UNRESTRICTED REVS.				
CAMDEN CO.	$3,968,465	$4,912,012	$5,267,588	$6,454,666
KINGSLAND	$759,836	$931,112	$1,164,411	$1,691,426
ST. MARYS	$1,828,876	$2,069,059	$2,308,726	$2,597,953
WOODBINE	$336,154	$378,929	$370,650	$418,512
TOTAL:	$6,893,331	$8,291,112	$9,111,375	$11,162,557
UNRESTRICTED EXPS.				
CAMDEN CO.	$3,635,410	$4,996,095	$5,124,424	$7,050,635
KINGSLAND	$704,620	$850,230	$1,281,156	$1,476,945
ST. MARYS	$1,583,706	$1,784,029	$2,414,826	$2,982,356
WOODBINE	$347,009	$344,908	$389,853	$563,512
TOTAL:	$6,270,745	$7,975,262	$9,210,259	$12,073,448
UNRESTRICTED BALANCE:	$622,586	$315,850	-$98,884	-$910,891

CAMDEN COUNTY
CONSOLIDATED FINANCIAL ANALYSIS

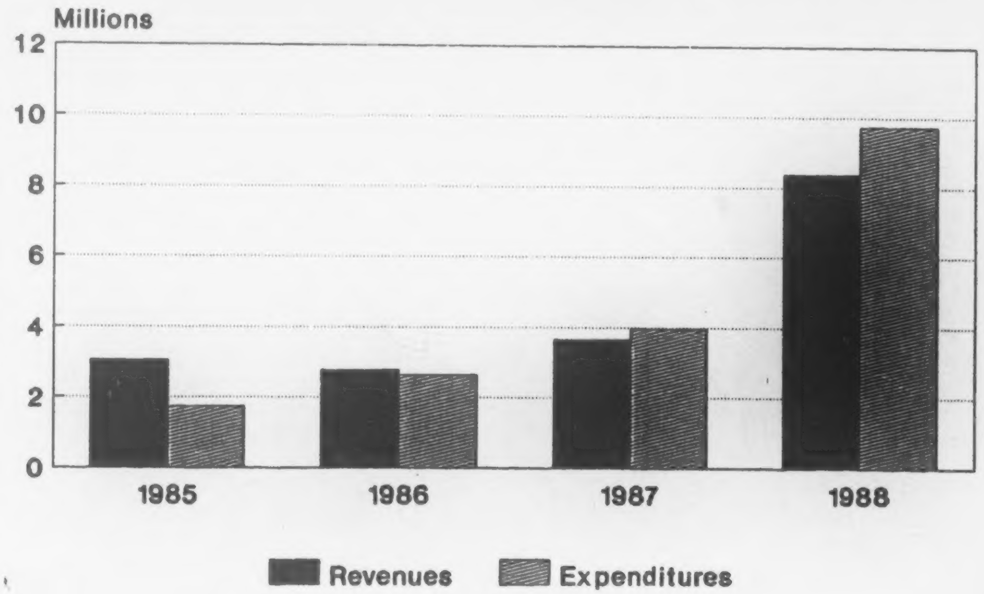


UNRESTRICTED FUNDS

CONSOLIDATED FINANCIAL ANALYSIS FOR
CAMDEN JURISDICTIONS - RESTRICTED FUNDS

	FY 85	FY 86	FY 87	FY 88
RESTRICTED REVS.				
CAMDEN CO.	$2,305,069	$1,574,267	$2,508,473	$5,493,544
KINGSLAND	$374,491	$726,618	$167,066	$651,500
ST. MARYS	$337,831	$307,472	$721,635	$1,998,298
WOODBINE	$37,427	$174,470	$262,136	$251,484
TOTAL:	$3,054,818	$2,782,827	$3,659,310	$8,394,826
RESTRICTED EXPS.				
CAMDEN CO.	$1,143,458	$1,387,416	$2,375,744	$6,472,205
KINGSLAND	$338,985	$957,722	$171,329	$865,981
ST. MARYS	$228,247	$117,286	$1,121,068	$2,224,729
WOODBINE	$29,012	$178,079	$292,933	$176,484
TOTAL:	$1,739,702	$2,640,503	$3,961,074	$9,739,399
RESTRICTED BALANCE	$1,315,116	$142,324	-$301,764	-$1,344,573

CAMDEN COUNTY
CONSOLIDATED FINANCIAL ANALYSIS



RESTRICTED FUNDS

STATEMENT OF PROGRAM STRATEGY

The intent of the Community Impact Assistance Program is to address the excessive and unfair burden on local governments created by efforts to address the public service requirements brought on by the development, construction, and operation of Naval Submarine Base, Kings Bay. To provide direction and coordination to local planning and funding efforts within the scope of the program, the Kings Bay Impact Coordinating Committee was established. Over the years the Committee, with funding appropriations from Congress, has undertaken extensive planning studies of the anticipated growth and the provision of facilities and services that will be required.

From these planning studies and in coordination with local governmental leaders, a multi-year program has been developed to provide direction to the funding and implementation of identified capital project needs. As with any planning process, and especially one dealing with an anticipated 97% growth rate, revisions and updates are necessary to ensure a realistic obtainment of program goals. FY 1990 represents the seventh year of the program, and many prior assumptions have changed as conditions have changed.

With time and the escalation of growth, it is becoming clear as to the magnitude of the burden being assumed by Kings Bay area communities. In consideration of this factor, the Coordinating Committee has undertaken a comprehensive analysis of anticipated needs along with a review of the financial position of its member jurisdictions.

In the review, unfunded capital needs have been identified. As the Submarine Base continued toward completion and area populations continued to climb, additional capital needs were identified that had fallen through the planning process. The Coordinating Committee has screened those needs through a system of project evaluations and developed a funding strategy that meets local requirements, legislative intent, and the funding restraints of available appropriations. The Committee over the years has established an outstanding record of credibility before Congress. Only totally justified projects, with minimal federal funding requirements have been submitted and the Congress is asked to provide the assistance necessary to address the balance of the area's impacted needs.

As stated earlier, Kings Bay area governments are at a cross-road and it is important to the financial well-being of the area that the Community Impact Assistance (CIA) Program is carried to its fulfillment.

Of unfunded capital needs identified, some $23 million represents the current estimated education related capital projects in Camden County, Georiga (Nassau County needs have not been included due to a pending study) that must be programmed over the next several years. This area of need has been impacted to a greater degree that earlier projected. Consequently, adequate financial resources are unavailable and required facility maintenance and construction is being postponed.

In dealing with financial needs of the magnitude anticipated over the next several years, the use of the multi-year Capital Improvement Program and funding concept enables a phased approach to meeting facility and service needs.

A strategy that will effectively address impacted growth requirements cannot be developed and managed by the total utilization of economic theories and assumptions. One must also take into consideration the fast pace of changing conditions and the hands-on experience of local community leaders.

COMMUNITY IMPACT ASSISTANCE PROGRAM SUMMARY
FY 1990

	DOD/CIA REQUESTED FUNDING
CAMDEN COUNTY BOARD OF COMMISSIONERS	
Investigation and Drug Enforcement Task Force Facility	$ 368,000
Total:	$ 368,000
CITY OF KINGSLAND	
Planning & Zoning Building	$ 200,900
Total:	$ 200,900
CITY OF ST. MARYS	
City Hall	$ 319,725
Total:	$ 319,725
CITY OF WOODBINE	
Solid Waste Vehicle	$ 52,500
Noncompaction Solid Waste Vehicle	$ 22,500
Trenching Machine	$ 24,375
Total:	$ 99,375
CAMDEN COUNTY BOARD OF EDUCATION	
High School (Phase II)	$ 5,201,476
Elementary (Woodbine) School Construction	$ 4,447,840
Elementary (Kingsland) School - P & D	$ 125,000
Total:	$ 9,774,316
TOTAL FY 90 PROJECTS:	$ 10,762,316

LOCAL/FEDERAL_FUNDING_DISTRIBUTION_RATIOS

Based on the analysis and projections contained in the Camden County School District Facility Needs Assessment Study prepared by Carlson Associates. Inc. the ratio of school enrollment increase (1980-1998) between direct Navy related and indirect growth was 76.4% to 23.6%. It is not unreasonable to assume that this same ratio, within an acceptable variance, would not hold true for the overall general population growth occurring during the same period. Thus based on this assumption, it would be realistic to approach local/federal funding distribution relative to impacted projects on a 75% (federal) to 25% (local) ratio.

Historically over the past six years (excluding FY 89 funding) the following trends for Camden County projects have occurred:

	Federal/Local_Funding_Ratios
General Governmental Projects (FY 84 - FY 88)	69.42% / 30.58%

It should be noted that after project completion this ratio changed to 64.68% / 35.32%

Educational Projects (FY 84 - FY 88)	57.00% / 43.00%

As this analysis indicates, the local contribution for impacted projects on an average has been well above the projected population growth ratio between direct Navy related of 75% and indirect growth of 25%.

The funding distribution ratios for FY 1990 general government proposed projects have been developed within the population growth ratio of 75% to 25% and within the ratios of 72% to 28% utilized for FY 1989. The ratio analysis of FY 90 projects include prior year funding and cost where the project is multi-year funded.

FY 90 General Governmental Projects

Local Contribution	29%
Federal Contribution	71%

The funding distribution ratios for education related projects are based on the 76.4% to 23.6% established by the Carlson study and outlined in the Committee's proposed Funding Distribution Plan for school facilities. As was indicated above, the federal/local funding ratio through FY 88 was 57% to 43%. Ratios outlined below for FY 90 projects include prior year funding and cost where the project has been multi-year funded.

FY 90 Educational Projects

Local/State Contribution	16%
Federal Contribution	84%

The adoption and utilization of the Committee's proposed Funding Distribution Plan would bring the funding ratios to 75% and 25% by 1998 and establish a realistic cost sharing formula for addressing education related impacted cost.

LOCAL/FEDERAL_FUNDING_DISTRIBUTION_RATIOS
FY_1990_COMMUNITY_IMPACT_ASSISTANCE_PROGRAM_SUMMARY

CAMDEN_COUNTY_BOARD_OF_COMMISSIONERS	FUNDING	RATIO
Investigation and Drug Inforcement Task Force Facility		
Local Contribution	$127,640	35%
Federal Contribution	$368,000	65%
Total Cost	$495,640	100%
City_of_Kingsland		
Planning and Zoning Building		
Local Contribution	$ 79,100	28%
Federal Contribution	$200,900	72%
Total Cost	$280,000	100%
City_of_St._Marys		
City Hall		
Phase I - FY 86		
Local Contribution	(137,300)	(19%)
Federal Contribution	(173,700)	(24%)
Phase II - FY 90		
Local Contribution	106,575	14%
Federal Contribution	319,725	43%
Total Cost:	$737,300	100%
Summary - Local Contribution	$243,875	33%
Federal Contribution	$493,425	67%
Total Cost:	$737,300	100%
City_of_Woodbine		
Solid Waste Vehicle Noncompaction Solid Waste Vehicle Trenching Machine		
Local Contribution	$ 33,125	25%
Federal Contribution	$ 99,375	75%

Total Cost:	$132,500	100%

Camden County Board of Education

High School

Phase I - FY 89		
State Contribution	(2,600,000)	(18%)
Federal Contribution	(6,448,524)	(44%)
Phase II - FY 90		
Local Contribution	$ 500,000	(3%)
Federal Contribution	5,201,476	(35%)
Total Cost:	$14,750,000	100%
Summary Local/State Contribution	$ 3,100,000	21%
Federal Contribution	$11,650,000	79%
Total Cost	$14,750,000	100%

Elementary (Woodbine) School - Construction

Local Contribution	-0-	0%
Federal Contribution - FY 89	(125,000)	(3%)
- FY 90	4,447,840	97%
Total Cost:	$ 4,572,840	100%

Elementary (Kingsland) School - P & D

Local Contribution	-0-	0%
Federal Contribution	$ 125,000	100%
Total Cost:	$ 125,000	100%

Total FY 1990 School Facility Projects

Phase I - Prior Year Funding		
Local/State Contribution	(2,600,000)	(13%)
Federal Contribution	(6,573,524)	(34%)
Phase II - FY 90 Funding		
Local Contribution	500,000	3%
Federal Contribution	9,774,316	50%
Total Cost:	$19,447,840	100%
Summary - Local/State Contribution	$ 3,100,000	16%
Federal Contribution	$16,347,840	84%

Total Cost:	$19,447,840	100%

SUMMARY

Non-Educational Projects (FY 90 and Prior Funding):

Local Contribution	$ 483,740	29%
Federal Contribution	$ 1,161,700	71%
Total Cost:	$ 1,645,440	100%

Educational Projects (FY 90 and Prior Funding):

Local/State Contribution	$ 3,100,000	16%
Federal Contribution	$16,347,840	84%
Total Cost:	$19,447,840	100%

CAMDEN COUNTY BOARD OF COMMISSIONERS - INVESTIGATION AND DRUG ENFORCEMENT TASK FORCE FACILITY

According to OEA's Updated Fiscal Impact Analysis dated December 1986, the County will experience a Trident-related increase in population of 15,516 by 1990 as a direct result of NSB, Kings Bay. This population increase of 158% since 1981 will generate a requirement for additional capital expenditures for courts, public safety, and crime control.

Various impact studies conducted by DOD in the past supported the County's need for a new Public Safety Complex and expanded office space to house the Sheriff's Department. However, soon after the completion of the new facility, it became apparent that planners had seriously underestimated the amount of space required by the growing Sheriff's Department.

Currently, five (5) people employed with the Investigation and Drug Enforcement Task Force of the Sheriff's Office share space with the Patrol and Communications Division in the overcrowded Emergency Operation Center (EOC) in the Public Safety Complex. This present arrangement is totally unsatisfactory not only because of the overcrowding but also because FEMA regulations require that the EOC be evacuated within 5 minutes warning of impending disaster. Thus, all personnel utilizing the EOC must operate in "gypsy" fashion in order to accomodate FEMA regulations.

In addition to the existing overcrowded situation, the Sheriff's Department facility provided no room for expansion. The department has gradually been expanding its personnel staff to meet the increased need for services. Since 1981, the number of answered calls for service and traffic accidents increased from 2657 to 3709 in 1988 or 40%. The number of personnel hired to meet the demand has increased by eleven (11) with another nine (9) budgeted for 1990. The largest increase in staff has been the employment of criminal investigators and creation of a Drug Enforcement Task Force.

Construction of a new 4,800 s.f. facility to house the investigators and Drug Enforcement Task Force would remedy the problems of overcrowding and space for expansion by providing space for offices, evidence lockers, interrogation and evidence search rooms, a photo processing lab, and a 2-car garage for vehicle inventory. Obviously, the new facility will enable the Sheriff's Department to operate more efficiently and provide a safer environment for all Navy-related families of Camden County as well as nonmilitary families. The need for this facility is a direct result of the influx of population related to NSB, Kings Bay.

CONSTRUCTION OF NEW INVESTIGATION AND DRUG ENFORCEMENT TASK FORCE FACILITY -

Cost		Revenues	
Land	$ 31,800	Local	$ 127,640
Const. (4,800 s.f.)	368,000	DOD/CIA	368,000
Equip	32,000		
Other - Cont.	33,600		
A&E	30,240		
Total:	495,640		$ 495,640

CAMDEN COUNTY INVESTIGATION AND DRUG ENFORCEMENT FACILITY

QTY.	SPACE DESCRIPTION		SQ. FT.
6-	2 man offices 180 sq.ft. each		1080
1-	Interview		100
1-	Conference/Classroom		375
1-	Secretary/computer/file		400
1-	Secretary/Receptionist		225
1-	Director		120
1-	Director Drug Dept.		120
1-	Dark Room/Storage		120
1-	Lab		144
1-	Evidence Locker		225
1-	2 car garage for veh. search and inventory		800
1-	Common Area (rest rooms, lobby, storage, etc)		1091
		TOTAL	4800

CITY OF KINGSLAND - PLANNING AND ZONING BUILDING

According to OEA's Updated Fiscal Impact Analysis dated December 1986, the City of Kingsland was expected to grow by 5,500 people as a result of the expansion of NSB, Kings Bay with the high-growth years being 1987 through 1989.

Various impact studies conducted by DOD in the past supported the City's need for a new City Hall which was constructed in 1986. However, it soon became apparent that the planners had grossly underestimated the amount of space needed to accomodate the City's growing departments. Since the construction of City Hall other departments have been created to meet increased service demand. One such new department is the Planning and Zoning Office.

In the early 1980's, the City of Kingsland had no building, planning, zoning or development department. No need existed as there was no growth or development to speak of. The City operated on a "cigar box" system. When the Kings Bay Naval Submarine Base construction began, the City of Kingsland contracted with the Camden County government and private firms for specific construction, planning and zoning activities. This soon became totally impractical and inadequate, so the City hired a building inspector in 1984.

It soon became obvious that there was much more involved in the rapid growth of the area than simply building inspections. To keep pace, the City of Kingsland sent the building inspector to numerous training sessions and increased his responsibility to include all planning and zoning activities.

In 1986, the City adopted a stringent Comprehensive Land Use Ordinance to control the quality of the rapidly expanding city. It became necessary to add an additional employee, splitting the responsibilities. One position became building inspector and code enforcement officer, the other became the City Engineer.

As the city limits expanded, infrastructure was needed to serve the present population and the primary growth area. In addition, new demands were placed on the existing staff. Two people were unable to keep up with new annexations, new subdivisions, shopping centers, and single family developments which far exceeded the original city limits in size and scope.

In 1988, the City created the Department of Community Planning and Development to coordinate and implement all activities related to the growth in the City. The creation of this department was an absolute necessity to assure quality of residential and commercial development and, equally important, that the City facilities and infrastructures themselves were properly designed and installed.

City Hall, although only 2 years old, was totally outgrown. In order to provide office space, records and file space, the files area was cleared and stacked 2 deep in the vault area and temporary partitions were installed to create "cubby holes" for the department employees. The City Engineering Office was moved from City Hall to the Waste Water Treatment Facility.

There are currently 4 residential single-family projects, an equal number of multi-family, 2 shopping centers, and 5 commercial projects being handled by the department. Neither City Hall nor the Waste Water Treatment Facility has any space for plan examinations, storage of plans and specifications or construction permits and files.

Soon additional staff will have to be added. The Lakes alone covers 1300 acres and will almost require one full-time inspector and engineer. The City has no place to house additional staff or the documenting paper required to process zoning requests or zoning variance requests.

The construction of a building to house the Department of Community Planning and Development, including inspectors, code officers, Planning and Zoning Board, city engineers and draftsmen, secretarial help and necessary contractor conference areas, files and storage area large enough to display and house the large plat maps and project drawings is an absolute must if the City is to keep pace with and provide the quality of life for the population and business growth promulgated by NSB, Kings Bay.

CONSTRUCTION OF A PLANNING AND ZONING DEPARTMENT FACILITY -

Cost		Revenues	
Land	$ 10,400	Local	$ 79,100
Const. (4,000 s.f.)	220,000	DOD/CIA	200,900
Equip	10,000		
Other - Cont.	22,000		
A&E	17,600		
Total:	280,000		$ 280,000

Offices	Square Footage
1. Director of Community Planning & Development	160
2. Chief Building Inspector	144
3. Building Inspector/Code Enforcement Officer	144
4. City Engineer	160
5. Secretary - CPD/Receptionist	300
6. Record & File Storage	500
7. Computer Space	250
8. Lounge/Break Area	250
9. Rest Rooms	300
10. Mechanical Room (HVAC - Phone Syst)	144
11. Closet Space	40
12. Plan Rack & Storage	450
13. Entry/Foyer	240
14. Contractor Conference Room	900
Total:	3,982

CITY OF ST. MARYS - CITY HALL

The geographical area of the City of St. Marys has more than doubled since 1983 with over 4059.34 acres being annexed. In addition, the population has increased from 4251 in 1980 to an estimated 9843 in 1989 with the peak growth occurring in the 1987 to 1989 time period. Of this increase, 5500 are Trident related. As the City's boundaries and population have grown, residential, commercial, industrial, and retail development has occurred. In addition, the demand for new and expanded service levels has continued to increase. This demand for services translates into the need for additional personnel, equipment and facilities, and the creation of new departments.

With help from the Department of Defense utilizing the Community Impact Assistance (CIA) program, the City has been able to meet many of the expanding service demands. CIA assistance to date has allowed us to expand our water and sewer system, build a new fire station and add a new pumper, construct a new police complex and purchase additional patrol cars, increase capacity of our roads and streets, purchase solid waste equipment, and in the immediate future construct a new public works facility.

The request by the City of St. Marys for additional funds to construct a new City Hall is being submitted after a very close review of the goals established when CIA funding was approved for renovation of the existing City Hall. During the time funds were being solicited for the renovation, efforts were underway for reducing the cost of construction of the fire station, and the costs of renovating an older building for a new police station. Due to the emphasis by the City government in upgrading facilities and equipment at this time to the actual departments providing services to the general populace, there was a feeling that applying for funding to build a new facility for City Administration would be futile. Consequently, the City resolved itself to seeking just enough money to upgrade the structural, mechanical, electrical and plumbing integrity of the present buildings.

In reviewing the progression which led to the renovation decision as opposed to the new construction position, it appears many factors which would have led to a new construction funding request were never addressed. Among these were the continued separation of departments, the deteriorating condition of the existing exterior of the building, access difficulty by the handicapped and elderly, sacrificing needed improvements in communication equipment, and the need to make the building usable into the next century.

While the exterior of the current buildings (2) comprising the general services division (City Hall functions) may appear to be in stable condition, the fact remains the roof leaks, the exterior siding is decaying, there is no weather proof connector for the two buildings, and the items just mentioned were only piecemeal items in the renovation plan.

The separation of departments, between the two buildings, is not conducive for efficient service delivery. The need to access general information, files, maps, engineering plans, building permits, business license data and a multitude of pertinent information is often hampered by inclement weather. The layout of offices requires many meeting attendees to shuffle back through other offices often disrupting persons at work in these locations. Concurrent problems occur when utility administrative personnel need supporting data from planning and building.

A closely related problem to the difficulties already mentioned is complete access to all departments by the handicapped and elderly. While renovation plans did provide for openings and sanitary facilities meeting handicapped requirements, many departments will still lack accessibility. A major item here, which had to be eliminated from the renovation plans, was a drive-in facility for utility payments. A rather poor practice we follow now of responding to the elderly and handicapped when they blow their horn in front of City Hall desperately needs to be eliminated. The number of utility customers in St. Marys has increased by almost 200% since 1980 as the City grew in population and lines have been extended into areas previously unserved. While computerized billing has delayed the hiring of additional administrative personnel, the interrupting of work for responding to customer access problems must be eliminated. The current building(s) were never designed for drive through access and as mentioned, the current funding for renovation was insufficient for this requirement.

Probably, the most important planning aspect which was overlooked when the decision was rendered to renovate was the usefullness of the building into the next decade. Renovation would certainly be an improvement but it would not solve the problems mentioned already, nor would it allow for expansion at a later date. The energy cost and maintenance requirements for renovation will be much greater than for new construction. The frame exterior, mentioned previously, is in itself a maintenance headache. The existing construction consisting of a series of "add-ons" and "modifications" creates not only many maintenance problems but impedes the routing of communication lines, data processing links, and the official routing of heating and cooling ducts. These problems greatly restrict where the equipment necessary to meet these particular needs can be located.

We firmly believe the granting of an additional $319,725 in CIA funding in conjunction with the existing grant for renovation to construct a new City Hall would be a better spending of federal dollars. With an annual growth rate of twelve (12%) percent, even a renovated City Hall would fail to meet the needs of general services much beyond two or three years.

CONSTRUCTION OF A NEW CITY HALL -

Cost	
Land	$ 45,000
Const. (10,000 s.f.)	550,000
Site Prep.	75,000
Other - Cont.	23,300
A&E	44,000
Total:	737,300

Revenues		
Local	(FY 90)	$ 106,575
	(FY 86)	137,300
DOD/CIA	(FY 90)	319,725
	(FY 86)	173,700
	(FY 90)	$ 426,300

CITY HALL
EXISTING AND NEEDED SPACE

USER	EXISTING SPACE SQUARE FEET	NEEDED SPACE SQUARE FEET
Public Meeting Room (& Foyer)	967	1500
(Including Audio Visual) Bathroom	80	200
Halls	380	380
Planning & Building		
Zoning Administrator (existing)	250	250
Building Inspector (existing)	250	250
Licensing & Bldg. Clerk (existing)	200	200
City Engineer (1989)	250	250
Secretary (1989 or 90)	-0-	200
Code Enforcement (1991)	-0-	200
Map & Plans Room	150	200
Meeting Room	200	280
Bath	100	100
Utilities		
Utility Supervisor (existing)	200	200
Utility Administrator (existing)	112	200
Water & Sewer Clerk (1990)	-0-	150
General Administration		
Mayor's Office (existing)	296	296
Mayor's Adm. Asst. (existing)	88	120
City Manager (existing)	230	256
C.M. Adm. Asst. (existing)	144	200
Document Room (existing)	80	120
Project/Grant Administrator 1989-90)	-0-	200
City Clerk (existing)	180	200
Personnel Director (1991)	-0-	200
Copy Room (1991)	-0-	120
Finance		
Finance Director (existing)	-0-	200
Bookkeeper (existing)	180	200
Receptionist (existing)	168	144
Programmer (existing)	168	200
Computer Room (1991)	-0-	120
Vault (existing)	96	144
Purchasing Agent (existing)	192	192
Inventory & Storage (existing)	158	200

Tourism & Recreation		
Tourism Director (existing)	192	192
Tourism Storage (existing)	-0-	80
Recreation Director (1989)	-0-	192
Recreation Storage (existing)	620	620
Mechanical Room & Storage (existing)	112	144
Kitchen (existing)	90	200
Storage & Records (existing)	1277	900
TOTAL	7410	10,000

CITY OF WOODBINE - EQUIPMENT

The City of Woodbine is the County seat of Camden County, Georgia and is located approximately 20 miles northwest of the Naval Submarine Base, Kings Bay. Although the geographic location of the City has prohibited it from experiencing the brunt of growth activity associated with the Trident Submarine Base, Woodbine's population has increased significantly.

According to OEA's Updated Fiscal Impact Analysis dated December 1986, the City of Woodbine's population is expected to grow by almost 1,700 as a direct result of the expansion with the high-growth years being 1988 through 1989. This figure represents a 158% increase in population by 1989 as a result of the Navy's presence in Woodbine as opposed to a projected 5% increase due to normal growth.

In response to this growth, the City has annexed land to the East for subdivision development, is constructing 2 sewer pump stations, and has plans for the installation of additional sewer lines to accomodate new, planned residential areas. General government facility expansions have included construction of a new City Hall, plans for a new Public Safety Complex, and purchase of a new fire truck.

With the present population increase, not to mention an additional projected increase, it is clear that existing public services and service vehicles will not be sufficient to keep pace with the increased demand. The City of Woodbine is in need of a solid waste vehicle, a noncompaction waste vehicle, and a trenching machine.

Currently, the City is operating with one garbage truck and one dump truck, both of which are seven (7) years old. With the increase in residences, the garbage truck now operates three (3) hours per day for residential pick-ups. This represents a 50% increase from 1981. The garbage truck makes one to two trips per week to the Camden County Sanitary Landfill (approximately 30 miles round trip). It is anticipated that the number of trips will have to be significantly increased in the very near future. As soon as the annexed land is developed, the City will need two (2) additional vehicles to maintain the present level of residential service.

The City's dump truck operates eight (8) hours per day, five (5) days per week and makes four (4) to five (5) trips per week to the County landfill. At present, Woodbine has a "burn area" in the City for brush and trees. However, all other non-burnable debris must be hauled to the landfill. It is anticipated that the "burn area" will be filled by the end of 1989 which will necessitate the City making 20 to 30 trips to the landfill per week. Once again, with the impact growth from Kings Bay, it is anticipated that this figure will be substantially increased.

Needed drainage improvements for the City could be handled by the purchase of a trenching machine. New residential development requires installation of drainage ditches and adequate maintenance. As new families move into the City, and new homes are constructed, the burden of maintaining drainage ditches will steadily increase. Currently, Woodbine's street department maintains the existing ditches manually with shovels and a backhoe. The increased workload of adding new ditches to the maintenance list cannot be handled without either (1) hiring additional employees; (2) contracting with a private party; or (3) purchase of a trenching machine. All three alternatives would place an unfair and excessive financial burden on the City's small, limited budget. However, the purchase of a trenching machine with CIA funds would allow the City to maintain the existing as well as additional drainage ditches utilizing fewer manhours and would not tax the City beyond its present spending capacity.

PURCHASE OF EQUIPMENT -

Cost		Revenues	
Solid Waste Vehicle	$ 70,000	Local	$ 33,125
Noncompaction Waste Vehicle	30,000	DOD/CIA	99,375
Trenching Machine	32,500		
Total:	$ 132,500		$ 132,500

CAMDEN COUNTY BOARD OF EDUCATION - SCHOOL FACILITIES

Camden County has experienced significant growth during the 1980's as a result of the Navy's locating its East Coast Trident Submarine Base in the County. From 1980 to 1985, the population increased by 35.4%. Between 1985 and February 1988, the population increased by another 22%. A population change of this magnitude has had a major impact on school enrollment. Based on the Camden County School District Facility Needs Assessment Report dated October 14, 1988, enrollment between 1980 and 1988 increased from 3,068 to 4,711 or 54% and is projected to increase another 3,671 by 1998. This direct Navy impact will ultimately account for 76.4% of the total growth in Camden County.

Justification for CIA funding of Camden school facilities needs for FY 1990 can be found in the School District Capital Facility Requirements and Distribution Plan which analyzes the historical and projected pupil enrollment impact on the capital needs requirements of the school system in relationship to the financial capability of the local school system.

CONSTRUCTION/P & D OF SCHOOL FACILITIES -

	Cost	Revenues	
High School (Phase II)	$ 5,701,476	Local	$ 500,000
Woodbine Elementary	4,447,840	DOD/CIA	9,774,316
Kingsland Elementary P & D	125,000		
Total:	$10,274,316		$10,274,316

CAPITAL IMPROVEMENT PROGRAM
FY 1984 - FY 1991

CLASSIFICATION	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	REQUESTED FY 1990	ESTIMATED FY 1991
Water/Sewer	2.505 M	.185 M	.741 M	4.528 M	.050 M	.082 M	-	-
Education	3.114 M	1.115 M	2.966 M	.583 M	4.800 M	7.087 M	9.774 M	4.922 M
Public Safety	-	2.284 M	.713 M	.081 M	.255 M	.842 M	.368 M	.700 M
Solid Waste	-	-	-	.811 M	-	-	.075 M	-
Roads	-	-	.500 M	.720 M	-	-	.024 M	-
Human Services	-	.046 M	.386 M	-	-	-	-	-
General Government	-	.754 M	.174 M	.424 M	-	.989 M	.521 M	(2.500 M)*
Recreation	-	.150 M	-	.150 M	-	-	-	(1.000 M)*
Library	-	-	-	.333 M	-	-	-	-
DOD/CIA FUNDING	5.619 M	4.534 M	5.480 M	7.630 M	5.105 M	9.000 M	10.762 M	5.622 M (9.122 M)
TOTAL ESTIMATED PROJECT COST	8.113 M	14.467 M	9.569 M	13.203 M	6.513 M	12.633 M	12.945 M	5.872 M
LOCAL COST	2.494 M	9.933 M	4.089 M	5.573 M	1.408 M	3.633 M	2.183 M	.250 M
TOTAL COST TO DATE:								
DOD/CIA						37.368 M	(58%)	
LOCAL						27.130 M	(42%)	
TOTAL						64.498 M	(100%)	

*Pending Results of Needs Justification and fiscal Impact Studies

Mr. **Thomas**. Thank you, Madam Chairwoman.

Mrs. **Schroeder**. Congressman Blaz, do you have any questions?

Mr. **Blaz**. No, I do not. I compliment you on the details. I will tell you. The movement, the statement—it is very comprehensive. I appreciate it very much. Thank you, sir.

Mr. **Thomas**. Thank you. I apologize for the detail and the necessity of a detailed report, but again, this goes back to schools for our children, our Navy children, and I felt that we needed to be very specific in our request.

Mr. **Blaz**. I was complimenting you, sir.

Mr. **Thomas**. Thank you, sir.

Mrs. **Schroeder**. We appreciate the detail. Thank you very, very much. Oh, Congressman Martin has a question. One second. He is getting it over the phone. Congressman Martin?

Mr. **Martin**. The first thing you ought to do is throw away all of these electronic leashes.

Mrs. **Schroeder**. That is right. I am all for that.

Mr. **Martin**. Thank you, Lindsay, for your testimony. You talked about the difference between the 7,000 and 8,000 students that were projected. How many of those would be military dependents? How many of those would be civilians who came to the area because of the enhanced economic activity? The reason I ask that question is not to say, well, if they are not military, then, it is not our problem. Because it is our problem. Because the whole economic impact of the area was to be taken under consideration when the decision was made to build the facility.

Mr. **Thomas**. I appreciate the question. I am going to ask, if you do not mind, Mayor Mitchell here, who is closely tuned to these numbers, to give you some of the figures. But, let me just make one comment. You do, of course, see the point. That is, regardless of what percentage of military and what percentage of civilian come there—is the schools are negatively impacted from overcrowding, then the Navy personnel suffers right along with the civilian personnel. That is the point—to try to have a quality of education for all of our students. Mayor Mitchell, would you care to comment on that?

Mr. **Mitchell**. It has been determined that approximately—at least, 75 percent of those new students will be Navy-related. At least 75 percent of them.

Mr. **Martin**. I guess my question is, where is the error? I mean, that is a pretty substantial error between 7,000 and 8,000 high school. That's a pretty high——

Mr. **Mitchell**. This is total school population. 7,000 students from K through 12. We're projecting 8,000 students, K through 12.

Mr. **Thomas**. I think if you would go back and look at the point that we assumed were very young people coming in the service, that there would not be that many high school students. That was just a difficult thing to project. It is really where the difference really comes in that number of high school students that have been greatly impacted because of this. That has greatly increased because of this.

Mr. **Martin**. Since the expansion, do you have any idea what the military construction investment has been there?

Mr. THOMAS. Oh, yes. It has been in excess of $1 billion, if you are talking about the entire base. Let me just point out one thing that most of you are probably familiar with. The population of this rural county was only 11,000 people when construction began. It would go to 35,000 by the time it is completed. One of the reasons that we were able to put this base there and to do it, knowing the impact, was that we had a lot of land to work with, and we had a county where we would not impact on a large urban area. So, we selected it for that reason. But, at the same time, we realized that the local structure simply could not provide the services that would be needed for everyone—civilian and military, who would come as a response to it. That really is the case for impact aid. So it has worked both in our benefit and it has also left some responsibility that we, at the Federal level, simply had to pick up.

Mr. MARTIN. The object of the whole exercise, as far as economic adjustment, ought to be living up to the reasonable expectations of the people within the community. I am glad to see that has been done to this point. It seems, now, we have a slight problem. Hopefully, we can resolve that. Although, as the Chairlady said, we have got real problems this year, and we are working very hard to try to get a larger part of the slice. Because, it is very important for the reputation of all of the services, wherever they go, that they live up to the reasonable expectations. Thank you very much, Mr. Mayor, for being here.

Mr. THOMAS. Madam Chairwoman, may I just add one comment?

Mrs. SCHROEDER. Sure.

Mr. THOMAS. For this committee, if you go back and check the record of the spending, as I mentioned in my testimony, you will find that we have been very frugal with the Federal dollar, and very careful in our needs and requests. In fact, one of the very few times that I have ever been involved when a group has brought money back and given money back to the Federal Government that was not used. So, that record is replete with frugality and cost effectiveness, and I would encourage you to take a look at it. But, if you go on my word, I can tell you it is exemplary of a wise management of our Federal funds.

Mrs. SCHROEDER. Well, thank you very, very much. We really appreciate your being here, and we will see what we can do.

Mr. THOMAS. Thank you, Madam Chairwoman and Members of the Panel.

Mrs. SCHROEDER. Thank you. Our next witness, who again, we apologize and salute his patience is Congressman Glenn Poshard from Illinois. We are very happy to have you here this morning, and we thank you for your patience. We will put your statement in the record, and the floor is yours.

STATEMENT OF HON. GLENN POSHARD, A REPRESENTATIVE FROM ILLINOIS

Mr. POSHARD. Thank you Madam Chairwoman, Ladies and Gentlemen of the subcommittee, for the opportunity to appear before your committee today as it continues its consideration of the fiscal year 1990 military construction authorization bill. I realize that the subcommittee has a difficult job in determining the Nation's military construction priorities during this ongoing budget crisis and I appreciate your efforts.

Today, I respectfully request the subcommittee's support for add-on funding for an Army National Guard armory which is located in Williamson County, Illinois. This project, which previously was programmed to fiscal year 1989 and 1990, has been deferred in the administration's recent budget request, despite the severe inadequacy of existing facilities.

Madam Chairwoman, my testimony is lengthy and I think fairly precise to the problem. So, at this point, I will try to summarize the problem that we have here. The present facility that we have—there is a two-fold problem. The facility for one of the companies in the 3 by 130th Infantry Combat Support Battalion, presently is 9,000 square feet. It has been condemned. It is a leased facility. The Junior College, where the facility exists, is wanting to raise the building. It is an old, barracks-type building. The strength of this Combat Support Unit is presently at 129 percent, and it needs at least 20,000 square feet, as opposed to the 9,000 square feet it presently has.

The larger problem is that the Headquarters and the Headquarter's Company, and the Maintenance Shop of the 3 by 130th Combat Support Battalion is located 110 miles away in East St. Louis from all of the support companies of the Battalion. So, you have the Command structure of the Battalion located 110 miles from the actual Battalion itself. Plus, the fact that this particular Combat Support Unit's facility is less than half of what is needed for full strength at 100 percent. The present strength of the Company is 129 percent. The facility it is located in has been condemned.

This creates all kinds of problems. The Illinois National Guard has this as the number one priority on their construction list. Because of the separation from the rest of the Company, we have limited training time available for the troops, excess travel to the Maintenance Shop 110 miles away, creates all kinds of problems in this particular situation. The State of Illinois appropriated 2 years ago $875,000 as the State's share for this project. The land has already been purchased for the new facility. Site preparation is taking place. 65 percent design completion has already been accomplished. The $2.152 million for the new facility to accommodate the 129 percent strength Company presently, plus the Headquarters and the Headquarter's Company being moved from St. Louis, as well as the Maintenance Facility, needs to be accomplished right away.

Adding to that, if I may, Madam Chairwoman, our area has one of the highest unemployment rates in the country. My counties range anywhere from 9 percent to 28 percent unemployment right now. Because it is mainly a coal area, and we have high sulfur in the coal, and we cannot sell the coal right now. We also sit on the edge of one of the largest faults in the United States, the New Madrid Fault. We are a highly earthquake-prone area with tornadoes having swept through our area twice in the last 8 years, and killing several people. So, the National Guard is very much needed in this area.

As I said, this is number one on the priority list for the State of Illinois National Guard, in terms of construction. I would hope that your committee would consider it. We really need the new facility to be built. I would appreciate your consideration.

PREPARED STATEMENT OF HON. GLENN POSHARD, A REPRESENTATIVE FROM ILLINOIS

Thank you, Madame Chairwoman and members of the Subcommittee, for the opportunity to appear before the Military Installations and Facilities Subcommittee as it continues its consideration of the Fiscal Year 1990 Military Construction Authorization Bill. I realize the Subcommittee's difficult job of determining the nation's military construction priorities during the ongoing budget crisis and appreciate its efforts.

Today, I respectfully request the Subcommittee's support for add-on funding for an Army National Guard armory project located in Williamson County, Illinois. This project, previously programmed to FY 1990, has been deferred in the Administration's recent budget request, despite the severe inadequacy of existing facilities.

The existing State leased facility in Williamson County is a temporary building that is severely inadequate for storage and training requirements. The structural integrity of the facility is questionable beyond FY 1990 and no other more suitable lease facilities are available. The Illinois National Guard has added central column support bracing to hopefully prevent the structure from collapsing. The facility owners, John A. Logan Community College, plan to raze the structure when the National Guard vacates and are reluctant to spend money on it. Additionally, the 9,000 square foot leased facility is far too small -- the Combat Support Company needs a minimum of 20,000 square feet. Unless new armory facilities are obtained, recruiting will have to be curtailed and mobilization training will decline.

The Illinois National Guard has a pressing need to relocate the Headquarters and Headquarters Company of this Battalion from East St. Louis to Carterville with the Combat Support Company. The long distance of 100 miles separating the Headquarters and Headquarters Company from the Combat Support Company seriously degrades command, control, communications and training of this Battalion. Once the new armory is completed, the entire Battalion will be in close geographic proximity along I-57 in Carterville, Salem, Mt. Vernon, and West Frankfort, Illinois.

The proposed add-on request would provide $2.152 million for construction of an armory and $440,000 in federal funds for an organizational maintenance shop. The planned Williamson County Armory is a 37,483 square foot facility designed to accomodate the Combat Support Company currently housed in a leased facility in Carterville, Illinois, plus the Headquarters and Headquarters Company how housed at the East St. Louis Armory.

The planned Organizational Maintenance Shop will provide maintenance support for the entire Infantry Battalion. Currently, with the Organization Maintenance Shop in East St. Louis, the Illinois National Guard expends a significant amount of limited training time and travel expense moving vehicles the 70 to 110 miles necessary to perform maintenance.

These National Guard units in Williamson County will not only provide military units ready for mobilization, but also will be capable of performing very important Illinois State missions. These State missions include assistance to civil authorities in case of civil disturbances or natural disasters caused by tornado, floods, or earthquakes. Just recently, the Illinois National Guard performed a vital role just a few miles east of Williamson County when the community of Allendale, Illinois, was destroyed by a tornado.

Given expectations of this project's inclusion in the FY 1990 budget, $875,000 in State matching construction funds has been appropriated. The area communities are solidly behind the project and coordinated the transfer of the land from the local Airport Authority to the Illinois National Guard.

I would add that this project has moved beyond the 65 percent design complete level which should enable its inclusion in the FY 1990 military construction program. The completion of the design is scheduled for June, 1989.

Again, I recognize the budget constraints confronting the Subcommittee, but I would urge its careful consideration of this request because of the serious impact a continued project deferral will have on the Illinois Army Guard. This is the only proposed new Army National Guard armory project in Illinois for FY 1990, and its construction is essential to ensure a future commitment of State resources to execute Federally shared Guard projects.

The 22nd District of Illinois, which I represent, holds the dubious distinction of having the highest unemployment rate in the State. The District's rate of 11% is twice the nation's unemployment rate. The National Guard is an important employment opportunity for many of my constituents. This is why the assigned strength of the Carterville unit is at 127% and there is an assigned strength of 125% in the East St. Louis Division.

When completed, the Organizational Maintenance Shop and armory will house about 340 soldiers and employ 19 to 20 full-time federal positions, as well as two State of Illinois employees. It is estimated that each part-time drilling guardsman will bring roughly $6,000 in federal support dollars to this economically depressed region.

As you can see, the need is critical, and your serious consideration of my request is appreciated. I would be happy to answer any questions you may have regarding this request. Thank you.

DEPARTMENT OF MILITARY AFFAIRS
1301 North MacArthur Boulevard Springfield, Illinois 62702-2399

March 17, 1989

Honorable Glenn Poshard
U.S. House of Representatives
ATTN: Elizabeth Pierce
2109 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Poshard:

Some Williamson County facts to assist you -

Williamson County did not make the FY 90 construction program because National Guard Bureau was not given additional construction funds over the $125 million as projected in the fall of CY 88. At that time National Guard Bureau expected to receive an additional $20 to $60 million in military construction funds. FY 89 National Guard Military Construction Funds were $229.2 million.

The Williamson County Armory being planned is a 37,483 square foot facility designed to accomodate the unit (Combat Support Company, 3/130 Infantry - assigned strength 162) currently in the leased facility at Carterville, IL, plus the Headquarters and Headquarters Company, 3/130 (assigned strength 177) now housed at the East St. Louis Armory. Along with the armory an Organizational Maintenance Shop is planned. Cost and related data are included on the attached fact sheet.

The 9,000 square foot leased facility at Carterville is far to small (this unit needs 20,000 square feet). Additionaly the facility is of dubious structural integrity even after we have added central column support bracing. The facility owners (Logan College) plan to raze the structure when the National Guard vacates and are reluctant to spend money on it.

The Illinois National Guard has a pressing need to relocate the Headquarters and Headquarters Company of this Battalion from East St. Louis to Carterville with the Combat Support Company. The long distance separating the Headquarters and Headquarters Company from the Combat Support Company seriously degrades Command, Control, Communications and training of this Battalion. Once the new armory is completed the entire Battalion will be in close geographic proximity along I-57 in Carterville, Salem, Mt. Vernon and West Frankfort.

The planned Organizational Maintenance Shop will provide maintenance support for the entire Infantry Battalion. Currently, with the Organizational Maintenance Shop in East St. Louis, the Illinois National Guard expends a significant amount of limited training time and travel expense moving vehicles the 70-110 miles necessary to perform maintenance.

When completed, the Organizational Maintenance Shop and armory will house about 340 soldiers and employ 19-20 (average salary about 25 to 27k) full time federal positions and 1 or 2 State of Illinois employees.

These National Guard units in Williamson County will not only provide military units ready for mobilization, but also will be capable to perform very important Illinois State missions. These State missions may include assistance to civil authorities in case of civil disturbances or natural disasters caused by tornado, floods, or earthquakes. Just recently, the Illinois National Guard performed a vital role just a few miles east when Allendale, Illinois was destroyed by a tornado.

Two fact sheets are attached to provide additional information.]

The National Guard Bureau will be fully supportive of a budget add-on to construct the Williamson County project.

As a matter of interest Congressman, each part-time drilling guardsman brings about $6,000. in federal support dollars to the district.

Sincerely,

HAROLD G. HOLESINGER
Major General
The Adjutant General

Enclosures

ARMORY DATA

PROJECT: ARMY NATIONAL GUARD ARMORY AND ORGANIZATIONAL MAINTENANCE SHOP (OMS)

LOCATION: WILLIAMSON COUNTY AIRPORT, MARION, IL

UNITS TO OCCUPY:

	STRENGTH	
	AUTHORIZED	ASSIGNED
Headquarters, Headquarters Company 3/130th Inf Bn	142	177
Combat Support Company 3/130th Inf Bn	128	162
TOTAL	270	339

PROPOSED FACILITIES	SIZE (SF)		COST ($000)		
			FEDERAL	STATE	TOTAL
ARMORY	37,483		2,152	875	3,027
OMS	3,694		440	0	440
		TOTALS	2,592	875	3,467

CURRENT STATUS:

The final construction documents are being completed at this time. NGB-ARI will review final documents on 15 June 1989. The demographic study has been completed. State matching construction funding was appropriated July 1988. CSC has been using an extremely inadequate lease facility since September 1984. This building's structural integrity is questionable. It is critical that these projects be constructed in FY 90.

DATA SHEET

Economic Impact Statement of the National Guard

ARMORY/FACILITY: Carterville Armory
ADDRESS: John A. Logan College
CITY: Carterville
COUNTY: Williamson
STATE: IL
ZIP CODE: 62918-2048
CONGRESSIONAL DISTRICT: 22

UNIT(S): CSC, 3-130 IN

PERSONNEL INPUT (As of 30 SEP 1988):
Authorized Strength: 128
Assigned Strength: 167

NG Full Time Support Force: 4
State Employees: 0
TOTAL: 4

FINANCIAL INPUT (As of 30 SEP 1988):

	Federal	State
Military Pay to Guard Members:	319939.00	0.00
Pay to FTS Personnel:	99000.00	16001.00
Local Purchases:	0.00	188.00
Facilities-Utilitiies/Communication:	0.00	12986.00
Facilities-Maintenance/Repair:	0.00	0.00
Facilities-Construction:	0.00	0.00
TOTAL:	418939.00	29175.00

REAL PROPERTY INPUT (As of 30 SEP 88):

	ARMORY (Primary Building)	MAINTENANCE SUPPORT BUILDING	STORAGE OTHER BUILDING	ORGANIZATIONAL VEHICLE MOTOR POOL
Acquisition Cost:	0.00	0.00	0.00	0.00
Date Acquired:				
Square Feet:	8970	0	0	0
Current:	0	0	0	0
Fair Market Value:	0.00	0.00	0.00	0.00
Annual Lease Value:	4999.92	0.00	0.00	0.00

Mrs. **Schroeder**. Well, Glenn, thank you very much. We really appreciate your emphasizing this need, and that it is number one on the priority list, because if there's additional money we want it to be by priorities that the services have set, rather than just political pressure. We had, at an earlier hearing, established that the Guard and Reserve has been cut back 24 percent from last year's amount.

So, I think that is why a lot of these very worthwhile projects got cut. We are very troubled by that, because we are relying more and more on the Guard and Reserve. So, we really appreciate your being here, and your very excellent testimony, and your bringing it to our attention. I wish we could guarantee something would happen. We are just not sure what is going to transpire. But, knowing its prioritization I think certainly helps, and we will do whatever we can. Congressman Martin.

Mr. **Martin**. I agree with the gentlelady, as far as the priorities. Let me ask you this. As far as the State of Illinois and the National Guard is concerned, are there any projects—and I am not saying this is a necessity—are there any projects in the State of Illinois relative to the Guard that they would, at this point, like to substitute, perhaps, for other projects until the next fiscal year?

Mr. **Poshard**. Sir, I am not sure about that. Illinois has not, to my understanding, had a National Guard armory built in several years. So, I do not know that there are any others that would be acceptable to them in terms of exchanging. But, I have been told by General Hosinger, the Commander of the Illinois National Guard, that this is number one on his list.

Mr. **Martin**. Well, if there were any other projects that could be deferred—I am just saying this to help you in the process.

Mr. **Poshard**. Yes, sir.

Mr. **Martin**. In making sure that you get done what has to be done. But you might inquire as to whether or not their projects, perhaps, are not as high on the design list, or something that can be deferred. Maybe we could do something a lot quicker.

Mr. **Poshard**. Thank you, sir. I certainly will check into that.

Mrs. **Schroeder**. Thank you. Thank you very much.

Mr. **Poshard**. Madam Chairwoman, thank you very much.

Mrs. **Schroeder**. We appreciate it. That ends our members that were testifying. We have statements here from a lot of members who could not attend this morning because they were out of town. I would ask unanimous consent that their statements be put in the record at this point. So, without objection, we will do that.

In addition, letters Congressman Martin and I have received from Mr. Foglietta and Mr. Weldon relating to the Philadelphia Naval Shipyard will be included in the record.

[The following information was received for the record:]

PREPARED STATEMENT OF HON. LES AUCOIN, A REPRESENTATIVE FROM OREGON

Madame Chairwoman, Members of the Subcommittee, thank you for the opportunity to share with you my request for authorization for some badly needed armory expansion and construction for the Oregon National Guard.

The State of Oregon is over ten years behind in their armory replacement and expansion program. They are behind because Oregon's economy and state revenues could not support a state contribution to replace and expand the armories. That period is behind us now and the state is ready to commit resources that, with your subcommittee's help, will begin to reverse the decline in Oregon's armory base and provide a greatly improved training resource for our soldiers.

KLEIVER ARMORY

The Kleiver Armory, located on the east side of Portland, Oregon was constructed in 1968. This armory was designed to house two small headquarters type units, one infantry company and an administrative company. These four units, their administrative personnel, supply and training, as configured in 1968, fit comfortably into this 32,968 square feet facility. Over the past twenty years the type unit, personnel, equipment, and training requirements have dramatically changed.

There are still four units at Kleiver Armory. However, these units are authorized over twice the space, a total of 61,914 square feet, compared to the original four units. Unit storage, administrative support areas and classrooms account for the vast majority of the increases authorization of space. In addition, food preparation and serving areas and toilets and shower rooms require alteration and upgrading.

The total project includes additions of 42,137 square feet and alteration of 9,259 square feet for a total expenditure of $1,961,000 of FY '90 federal funds. This sum will provide the existing units; Headquarters Co, 141st Support Battalion, S & T Company and Medical Company of the 141 Support Battalion and the 162d Engineer Company with the space and facilities to continue to meet their mobilization requirements.

The Kleiver Armory is situated on 5.68 acres with excellent access to highway systems extending in all directions. It is my considered opinion that this is a necessary and prudent expenditure of federal funds.

THE MEDFORD ARMORY

The Medford Armory, located within the city limits of Medford, Oregon, was constructed in 1957 as a two unit armory. In the ensuing thirty years there has been a substantial increase in the space requirements for training, administration and supply.

The reorganization of the Oregon Army National Guard has resulted in the assignment of an additional unit to the Medford armory. The armory is now housing three units, all of which desperately need additional space and facilities to allow them to attain and maintain the required levels of readiness.

The space and facilities deficiency can best be shown by comparing the existing armory space of 24,278 square feet to the space authorized for the assigned units of 34,071 square feet. To attain the authorized space, this project incorporates an addition of 22,780 square feet and alteration of 2,216 square feet. Unit storage, classrooms, and administrative offices make up the bulk of the additional space. In addition, off street parking for military and civilian vehicles and other minor exterior work is included in the project. The existing facilities are located on a five-acre parcel, thereby providing sufficient land areas for this expansion and all reasonably foreseeable requirements.

The expenditure of $1,458,000 federal funds for this FY '90 expansion and upgrade project is a practical, prudent, and necessary fiscal action.

FISCAL YEAR 1991

I understand your committee may consider a two-year authorization and I would like to convey my FY'91 request to you, as well.

Pendleton Armory

The Oregon Army National Guard is in the process of a force reorganization. This reorganization places two battalions in an area that had one armored cavalry squadron. Also, an aviation detachment has been located in Pendleton, Oregon to provide more effective air support for the two new battalions. Pendleton will have a mechanized infantry company and the aviation detachment. The present armory cannot be expanded due to lack of available land area. The existing armory does not have the training, classrooms, storage, administrative space or military vehicle compound that are required for these two units. The existing Pendleton Armory was constructed in 1955, and has had no major additions or modifications since construction.

The Oregon Military Department has a fifty-year lease on a 14.38 acre site adjacent to the Pendleton airport. This site is owned by the City of Pendleton and has all of the requirements of municipal water, sewer and public road access. The site includes sufficient land area for expansion of the armory and for construction of all other facilities that might be needed in the future for the support of these or similar units.

Pendleton is one of the primary service centers in Eastern Oregon for private business and public agencies. This request for $1,687,000 funds for the federal government's seventy-five percent pro rate share of the cost of the 35,834 square feet armory is an immediate requirement for the Oregon Army National Guard. The plan to have the mechanized infantry unit and the aviation detachment housed in one armory at the Pendleton Airport is very practical and an effective use of federal funds.

It is my opinion that this new armory is required for the Oregon Army National Guard to meet its federal mission requirements. It is my further opinion that the expenditure in FY '91 of $1,687,000 is reasonable and prudent.

Oregon Army National Guard Schools Branch

The Oregon Army National Guard Schools Branch is presently located at Camp Withycombe, approximately 6 miles Southeast of Portland, Oregon. The Schools Branch has the responsibility to provide instruction for the Officer Candidate program, all other in-state officer instruction courses, noncommissioned officers instruction programs, special subject instruction, food preparation, supply, administration, training, and other specialty areas, and recruit school. A total of approximately 1200 hours of instruction are provided each year.

The present facilities are inadequate due to age, design and space. The overnight accommodations for the students are World War II surplus quonset huts without toilet and showers. These buildings are affectionately known as "20 bunks and a path."

The Oregon Department of Transportation has informed the Oregon Military Department that a four lane expressway will extend through Camp Withycombe in approximately four years. This expressway literally cuts the existing area in half, with the ranges, ammunition storage area and small unit training area being eliminated. The loss of over one-half of the land area precludes using Camp Withycombe as a site for an upgraded Army National Guard Schools Branch facility.

After a survey of a number of potential sites in Oregon and particularly in the Willamette Valley corridor where approximately seventy-five percent of the Oregon population resides, the Western Oregon Campus at Monmouth, Oregon was selected as the best overall site for the relocaton of the schools branch. Western Oregon State College will make the required land area available for the Schools Branch to construct its required facilities. In addition, the school will make available classrooms, gymnasiums, auditoriums, computer mathematics and science laboratory and other facilities. the Western Oregon State College site is 15 miles from the Oregon Military Department State Headquarters, and 13 miles from an existing range and training area. The road access to the campus and the area designated for the Schools Branch is excellent. In fact, this location is almost the geographic center of the unit and personnel placement within the state.

The siting of a military education facility on the campus of an institution of higher education appears to me to be a very innovative and cost effective plan. Western Oregon State College views the Schools Branch as a positive addition to their campus which presently has the Oregon Police and Correction Officer academy and specializes in Education and Public Administration as well as baccalaureate and masters degrees in other disciplines.

My review of this request for funding of an adequate Schools Branch facility for the Oregon Army National Guard is an absolute necessity. The siting of the facility in the Western Oregon State College campus will result in cost savings in original construction and operation and will also provide a better overall level of instruction than could be accomplished in a "pure military" setting. I urge favorable consideration of this FY '91 request for $3,280,000 for the construction of an Oregon Army National Guard Schools Branch facility at Monmouth Oregon.

Thank you for the opportunity to present views to you.

STATEMENT BY REP. JAMES H. BILBRAY

HOUSE SUBCOMMITTEE ON MILITARY CONSTRUCTION

HOUSE ARMED SERVICES COMMITTEE

MARCH 20, 1989

MADAM CHAIRWOMAN, I WANT TO THANK YOU FOR ALLOWING ME TO TESTIFY BEFORE THE SUBCOMMITTEE TODAY ON YOUR REVIEW OF THE MILITARY CONSTRUCTION BUDGET PRESENTED BY THE ADMINISTRATION.

I SPECIFICALLY WOULD LIKE TO SPEAK IN SUPPORT OF THE NEW VA/DOD HOSPITAL AT NELLIS AIR FORCE BASE AS PROPOSED IN THE ADMINISTRATION'S BUDGET.

AS WE HAVE ALL READ, THOUSANDS OF VETERANS ACROSS THE COUNTRY ARE BEING TURNED AWAY FROM ADEQUATE HEALTH CARE. THE VETERANS ADMINISTRATION, IN RECENT MONTHS, HAS BEGUN TO TERMINATE HEALTH CARE PROGRAMS, TAKE HOSPITAL BEDS OUT OF SERVICE AND DENY TO CERTAIN GROUPS OF VETERANS CARE AT VIRTUALLY EVERY VETERANS' HOSPITAL IN THE COUNTRY.

THIS ALARMING TREND WILL SURELY GET WORSE AS WE SEE A MEDICAL BUDGET SHORTFALL OVER THE NEXT TWO YEARS OF $1.1 BILLION BELOW THE AMOUNT NEEDED TO DELIVER THE LEVEL OF HEALTH CARE SERVICE PROVIDED IN FISCAL YEAR 1988.

MADAM CHAIRWOMAN, CURRENTLY IN NEVADA, VETERANS WHO NEED IN-PATIENT MEDICAL CARE MUST TURN TO THE NEAREST VA HOSPITALS WHICH ARE IN LOMA LINDA, CALIFORNIA, ABOUT 350 MILES AWAY, AND IN RENO, NEVADA, ABOUT 400 MILES AWAY.

THE ABSENCE OF A LOCAL VETERANS HOSPITAL HAS BEEN A HARDSHIP FOR MANY OF THE MORE THAN 100,000 VETERANS IN SOUTHERN NEVADA. IN 1988, THE VA OUTPATIENT CLINIC IN LAS VEGAS, WHICH DOES NOT PROVIDE HOSPITAL CARE, REFERRED OR TRANSFERRED TO THE VA HOSPITAL IN SOUTHERN CALIFORNIA 1,882 PATIENTS. AND ALL THE INDICATIONS ARE THAT THIS PROBLEM WILL ONLY GROW.

SOUTHERN NEVADA HAS BECOME A FAVORITE RETIREMENT COMMUNITY AND DEVELOPERS HAVE ON THE DRAWING BOARDS NEW COMMUNITIES WHICH ARE DESIGNED TO ATTRACT MORE NEW SENIORS, MANY OF WHOM WILL BE VETERANS.

AS IN MANY CASES, FAMILIES OF VETERANS ARE UNABLE TO GET TO SOUTHERN CALIFORNIA TO VISIT THEIR LOVED ONES, AND THAT HAS BEEN

BOTH A FINANCIAL TOLL OF TRAVELING AND AN EMOTIONAL TOLL OF BEING AWAY DURING A TRAUMATIC TIME IN A FAMILY'S LIFE.

SINCE 1982, THEN REPRESENTATIVE HARRY REID, NOW THE SENIOR SENATOR FROM NEVADA, HAS BEEN WORKING ON GETTING SUPPORT FOR A JOINT VETERANS ADMINISTRATION/DEPARTMENT OF DEFENSE HOSPITAL TO BE BUILT AT NELLIS AIR FORCE BASE.

ORIGINALLY SCHEDULED FOR FISCAL YEAR 1989, THE DEPARTMENT OF DEFENSE MOVED THE STARTUP DATE TO FISCAL YEAR 1991. THROUGH MUCH HARD WORK AND PERSISTENCE, THAT DATE HAS BEEN MOVED BACK UP TO FISCAL YEAR 1990.

IN THE BUDGET SUBMITTED TO CONGRESS JANUARY 9TH, THE AIR FORCE REQUESTED $62 MILLION FOR ITS SHARE OF THE COST. THE VA ASKED FOR $9.3 MILLION FOR A TOTAL OF $71.3 MILLION.

OF THE 128 BEDS, 52 WOULD BE ALLOCATED FOR VETERANS AND 76 TO THE DEPARTMENT OF DEFENSE.

THE HOSPITAL IS TO BE OPERATED AS A TRULY INTEGRATED FACILITY (I.E., NO SEPARATE WARDS WILL BE PROVIDED FOR DOD OR FOR VA PATIENTS). WITH THE AVERAGE SHORT-TERM VETERANS INPATIENT STAY AVERAGING JUST OVER 13 DAYS, THE HEALTH NEEDS OF UP TO 2,000

VETERANS CAN REASONABLY BE PROVIDED FOR AT THE FACILITY EACH YEAR.

IN A WORLD WITHOUT MASSIVE FEDERAL DEFICITS I WOULD PROBABLY BE ASKING THE COMMITTEE TO CONSIDER BUILDING SEPARATE FACILITIES FOR SOUTHERN NEVADA'S VETERANS AND ACTIVE DUTY MILITARY PERSONNEL AND THEIR DEPENDENTS. BUT, WE DO HAVE A MASSIVE FEDERAL DEFICIT, AND THE FUNDS ARE SIMPLY NOT AVAILABLE TO BUILD TWO HOSPITALS.

THIS JOINT EFFORT IS A CREATIVE WAY OF DEALING WITH THE HEALTH NEEDS OF VETERANS AND FUTURE VETERANS. MY CONVERSATIONS WITH THE PEOPLE AT NELLIS AND IN THE VETERAN COMMUNITY INDICATE TO ME THAT THERE IS A WILLINGNESS TO MAKE THIS JOINT SOLUTION WORK.

MADAM CHAIRWOMAN, IN THE PAST TWO YEARS, I WAS FORTUNATE TO WORK WITH LOCAL VETERANS, AND NEVADA STATE OFFICIALS TO CREATE A STATE VETERANS' CEMETERY IN SOUTHERN NEVADA. IN A SPEECH BEFORE A JOINT SESSION OF THE NEVADA LEGISLATURE, I SPOKE OF THE VETERANS WHO RECEIVED VERY LITTLE PAY AND GAVE UP YEARS OF THEIR LIVES FOR THEIR COUNTRY. ALL THEY ARE ASKING FOR IS WHAT IS RIGHTFULLY THEIRS.

I URGE THE SUBCOMMITTEE'S SUPPORT FOR THE VA HOSPITAL AT NELLIS. THANK YOU.

Sherwood Boehlert

STATEMENT

REP. SHERWOOD BOEHLERT
Subcommittee on Military Installations & Facilities
March 20, 1989

Madame Chairwoman, Members of the Committee:

I appreciate this opportunity to let you know of my strong support for a very important project at Griffiss Air Force Base, New York in the fiscal year 1990/91 Military Construction Program, the Hydrant Fueling System.

This system supplies JP-4 to thirty parking positions on the aircraft parking ramp. **It allows for the rapid fueling and defueling of SAC aircraft**, a priority ingredient when considering our strategic forces quick reaction time. It is an integral part of the Secretary of Defense Military Construction Program submitted to Congress on January 9, 1989. I suspect your immediate reaction is that such an important project couldn't possibly be in jeopardy. And it wouldn't be except for the fact that, unfortunately, the January MCP lists this project as a SAC re-basing item.

Subsequently, the Department of Air Force released its Base Realignment Report. The Report delays the conversion of Griffiss B-52Gs to Hs, a decision which I understand will prompt the Air Force to submit a revised FY 90 MCP to Congress that would delete all three proposed construction projects based on the slippage of the SAC re-basing schedule.

I can certainly understand and sympathize with the budget constraints of your Subcommittee and the Department of Defense. That is why I'm willing to acknowledge that two of the projects, the Addition and Altering of the Integrated Maintenance Facility and the Munitions Storage Igloos, are related to the conversion of B-52Gs to Hs and therefore should be delayed, a saving of $4.55 million. But, to indicate that the conversion program is the primary reason for the upgrade of the existing hydrant fuel system for the B-52s and KC-135s now stationed, and scheduled to remain at Griffiss, is ludicrous.

The existing hydrant fuel system was installed in 1955 and components are rapidly becoming obsolete. The high water table is infiltrating electrical systems and causing excessive system downtime and maintenance problems. Refueling pits are mal positioned for current aircraft parking and taxiway clearances. Excessive aircraft towing operations are generated to obtain fuel support for mission requirements. All five existing pumphouse roofs are leaking and entrance doors are excessively deteriorated. A safety hazard exists with four pumphouses and sixteen underground tanks because they are located within 20 feet of a heavily used road; both POV and government vehicles and pedestrians are traveling and parking in areas of dense fuel vapor concentrations.

To bring fuel hydrant facility up to grade, the system will require the installation of operational storage tanks, a central pumphouse and associated control building, piping and drain lines to fueling pits at each of the parking spots and other support items such as paving and fire suppression systems.

The need for this overall system upgrade was first identified in 1985 and submitted for the 1986 MCP. In 1987 and 1988, when the SAC re-basing program was being developed, the B-52 bomber apron (13 parking spots) and the primary components of the system necessary for its basic operation were broken out as Phase I and inserted in the FY 90 MCP as part of the re-basing initiative. The remaining work, particularly on the other parking apron, was named Phase II and placed in the FY 91 MCP. Phase I is currently 35 percent designed by the Army Corps of Engineers. Phase II is currently awaiting award of a Engineering Design Contract. **A maintenance/repair project, $1.14 million, to repair the electrical system for the Hydrant Fuel System, was canceled with 75 percent of construction complete, in anticipation of these upcoming MCP projects.**

I hope you will agree with me that this $7.4 million project should remain on course. If not, the existing system will continue to deteriorate to the point that it is not usable. Extensive high cost maintenance will be required and excessive system downtime is expected. **The lack of refueling capability will greatly increase aircraft generation time which will adversely affect mission preparedness. In today's climate where reaction time is measured in minutes and seconds, rather than days or weeks, this aspect is critical.**

STATEMENT
BY
REP. BEN NIGHTHORSE CAMPBELL

BEFORE THE HOUSE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES
STATEMENT FOR THE RECORD ONLY

MARCH 20, 1989

I sincerely appreciate the opportunity to testify before the committee and will keep my comments as brief as possible.

The Colorado National Guard needs an increase in funding from the federal government to complete planned Guard Armories. I wish to bring the committee's attention to two projects in particular that I believe are very worthy of this funding.

The CNG is a part-time military force comprised of more than 5000 Colorado men and women who perform such services as disaster relief, communications, emergency medical care, search and rescue, cadet airmanship training, and security and transportation. Funding, which comes from a 75%-25% federal/state cost sharing arrangement, creates an annual economic impact on the state of over $80 million dollars.

The first project I want to bring to the committee's attention to is located in Durango, Colorado, in the Four Corners area of the state. The proposed armory will be replacing the 40-year-old building that has proved inadequate for the Durango Guard Unit.

The city has donated a 20-acre tract within the city limits for the proposed building. The building is still being planned and should be completely designed by July 1.

The Durango Armory construction is imperiled by the Department of Defense's decision to delay federal support until FY 1992. The State of Colorado authorized matching funds based on DoD's original program to build in Durango in FY 1990. The state appropriation is only in effect until June 1991. As you are aware, FY 92 funding by the federal government is not expected until October 1, 1991 -- too late to use the state matching funds. Unless we resolve this problem soon, the project may fail. LaPlata County and Durango have supported this project enthusiastically and, as I mentioned, have donated the necessary land in an ideal location.

The project has been estimated to cost $1.3 million, requiring $1 million from the federal government and $300,000 from the state of Colorado. The $300,000 has been appropriated by the Colorado State Legislature and only awaits your approval for the Federal share.

The second project is an armory located in Montrose, Colorado, in the central Rocky Mountains. The existing armory, like the Durango Armory, is insufficient in size for the local Guard unit. This armory is also suffering extensive structural failures and would require excessive remodeling in order to be usable.

The proposed armory will be constructed on a 20-acre site, donated by the community, adjacent to the Montrose airport with separate road access and taxiway for Civil Air Patrol and military aircraft operations. The new armory will house a medical detachment providing jobs and job training for the community in critical medical skills.

Montrose's location in the rugged central Rockies requires that the local National Guard units be equipped for search and rescue operations. The location of the proposed armory on the Montrose Airport grounds will make the unit exceptionally efficient in these operations.

The project, which is 100 percent designed, is estimated to cost $1.5 million total, with $1.2 million coming from the federal government. In an extraordinary show of support, the $300,000 state share has been raised entirely in the local community. This demonstrates Montrose's overwhelming support for this project.

The communities of Durango and Montrose both support the role the National Guard plays in the defense of our nation. Their services are invaluable during both local and national emergenices. In addition, the numerous everyday duties and functions they perform will be welcomed by these communities.

Thank you for allowing me to submit this brief written support for these projects. I hope you will carefully consider my statement and approve this request.

BYRON L. DORGAN
NORTH DAKOTA

238 CANNON BUILDING
WASHINGTON, DC 20515
(202) 225-2611

WAYS AND MEANS COMMITTEE

SUBCOMMITTEES
OVERSIGHT
SELECT REVENUE MEASURES

Congress of the United States
House of Representatives
Washington, DC 20515

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April 13, 1989

Honorable Patricia Schroeder
U.S House of Representatives
2208 Rayburn House Office Building
Washington, D.C.

Dear Pat:

Recently, I submitted written testimony to the Military Installations & Facilities Subcommittee in lieu of testifying on members day. I must regretfully inform you that there is an error in one of the numbers cited in the testimony. Specifically, the proposed FY96 addition to the preschool center at the Grand Forks Air Force base was originally estimated to cost $680,000 -- not the $6.8 million referred to in the testimony.

The erroneous number was taken from a Milcon Review document given to one of my staffers earlier this year and was strictly due to a typographical error. The $680K was to be used to construct an addition to the existing facility. In my testimony, I called for the construction of a new facility based on a design used at another base. I still believe that the new facility is needed; the current facility has a waiting list and in any event, the building now in use for child care should be used for its original purpose as a youth activity center.

Once again, I regret any errors contained in my testimony. I hope you will agree that, even if it does not result in a savings compared to the original plan, $1.9 million for a new facility is quite reasonable and the cost differential is negligible compared to the need.

Sincerely,

Byron

Byron L. Dorgan
Member of Congress

[illegible]

BYRON L. DORGAN
NORTH DAKOTA

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WAYS AND MEANS COMMITTEE

SUBCOMMITTEES
OVERSIGHT
SELECT REVENUE MEASURES

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FOR RECORD ONLY

TESTIMONY OF

HONORABLE BYRON L. DORGAN

BEFORE THE

SUBCOMMITTEE ON MILITARY INSTALLATIONS & FACILITIES

MARCH 20, 1989

Madame Chairman:

I look forward to working closely with you and the Subcommittee on the important issues of defense burdensharing and military construction. I commend your leadership and insistence that our European and Asian allies shoulder their fair share of mutual defense costs and on the often neglected issue of the quality of life for military personnel.

I recognize that this is a year when the combination of overly optimistic revenue estimates by the Administration and the Gramm-Rudman budget targets presents the Subcommittee with substantial constraints on authorizing new defense projects. Therefore, I have resisted the temptation to come before the committee with a long list of new concerns.

However, it is the need to give proper attention to the needs of the men and women of our armed forces -- even in a time of budget retrenchment by the Pentagon -- that leads me to testify before the Subcommittee. We must not reduce defense spending through draconian cuts in those budget areas that assure our servicemen and women a decent quality of life.

In North Dakota, we have two Strategic Air Command bases -- at Minot and at Grand Forks. Both of these bases are dual-wing bases housing both strategic bombers and missiles. These bases have won numerous awards for the outstanding job that the personnel assigned there have done over the years. Yet both bases labor under the hardship of isolation and severe winter weather.

In my opinion, both of these bases should qualify for remote base designation. To my understanding, while the Air Force chose to designate both bases as remote, the Department of Defense designated only Minot. I would strongly support approval of the Minot designation and would urge that Grand Forks be added to that category as soon as possible. By doing so, we can assure an adequate level of recreational and morale building resources for the personnel assigned to these bases.

There is another quality of life issue I would like to bring to the Subcommittee's attention concerning the two North Dakota Air Force bases: the need for better child care facilities. The economics that necessitate a two income family apply to military families as well as to the rest of the nation. The difference at the Minot and Grand Forks airbases is that it is several miles to the nearest community -- a prohibitively long drive in inclement weather. As a result, families at these bases need to be able to find adequate child care on base. Sadly, this is not possible due to size limitations at the existing child care centers.

At the Grand Forks Air Force Base, an existing child care facility was taken over in June of 1988 to accommodate a reorganization of the Strategic Air Command headquarters. As a result, the child care facility was moved into what had been a youth activity center. In the summer months this worked out fine since most youth programs were outdoors. Now, however, the youth program is suffering and the child care needs of the base are not being adequately met due to space limitations.

There are currently 235 children being served by all of the base's programs and a waiting list of 33 children seeking to get into either the preschool or child care programs. Of that 235, many are currently being cared for by individuals who have received certification by the base as designated child care providers. This involves the time and effort of a full time base employee whose function is to train, certify and oversee the 50 homes that are involved in providing child care. The net result is an elaborate system which does not adequately meet the needs of the families of the base personnel.

The solution to the situation I have described at Grand Forks is to construct a new child care center at the base. The base had considered a plan to build a $6.8 million center -- in FY 1996. Mme. Chairman, I am sure that you will agree that, given the circumstances I have described, the enlisted personnel at Grand Forks cannot wait that long. An alternate approach requires only $1.9 million to adapt an existing design from another base and construct a facility that could be completed in FY90. For this alternative, the planning is already more than 35% complete. I strongly urge this Subcommittee to add sufficient funding into this years' authorization to finish design and construction.

At the Minot Air Force Base, a similar situation exists. The Minot preschool facility is currently full and there is a waiting list of over 100 children. The Minot base is nearly 15 miles from downtown Minot -- thus making it extremely difficult for base families to find adequate alternative child care placements. As with Grand Forks, there is a program for certified child care in people's homes. Forty-nine homes are in the program, serving approximately 125 children. Unfortunately, other children are probably being cared for by untrained, non-certified providers.

The Minot child care facility was built in 1966 and was designed primarily as a nursery. The proposed improvements will allow it to accommodate more children and to allow the collocation of the preschool and child care functions. As a result, the cost per pupil will drop, making the program more affordable for the base families.

The Minot base requires $3.1 Million to expand their child care facility but it is not currently scheduled to begin construction until FY93. Again, Mme. Chairman, I do not think the enlisted people at Minot should wait that long and so I urge this subcommittee to recommend the Air Force expend funds sufficient to complete architectural & engineering work in FY90 (approximately $100,000) and to request construction funds in the FY91 budget.

I urge the Subcommittee to make these modest changes to the budget requests for these two bases. I should also note that the current DOD plan calls for substantially more construction activity in future years. In rural states, it is difficult to support an active and competitive construction contractor pool if the military construction program goes through a boom or bust spending pattern. Moving forward with these child care centers will contribute to morale and also assure a more diversified pool of contractors for the future.

I am well aware of the need to control defense spending. I applaud and voted for the plan to streamline our defense establishment by closing unnecessary facilities. However, it seems to me that for those facilities which have been determined to be essential to our nation's defense -- such as the Strategic Air Command bases in Minot and Grand Forks -- we need to have an adequate personnel support infrastructure. Failure to do so will lead to frustration among our servicemen and women. Ultimately, this may result in fewer reenlistments and a heavier burden on training budgets. Worst of all, we will risk losing the experienced career military men and women who form the core of our armed forces.

Finally, Mme. Chairman, I would like to add my support for DOD's construction plans at two other facilities in North Dakota. In Bismarck, current plans call for a much needed, $ 1 million warehouse to replace the Army National Guard's existing forty year old building. This new warehouse will be larger and will assure that the National Guard unit based there has adequate space to meet readiness requirements.

In Fargo, at Hector Field, the half million dollars of work planned for the Air National Guard avionics shop will support the phase-out of F-4 fighters and their replacement by newer F-16's. Additionally, the $1.8 million in support facility construction work will free up needed aircraft maintenance hanger space by moving other activities to another building. Both of these improvements will support the enhanced role of the Fargo Air National Guard detachment following the closeout of the Fifth Fighter Interceptor Squadron at Minot AFB.

To conclude my remarks to the Subcommittee, I would like to point out the desireability of breaking up major construction and other contracts into several smaller packages. In this way, these contracts can benefit the local community, give a boost to the economically disadvantaged parts of the nation and lower costs through increased competition. Thank you for your time.

COMMITTEES:
ARMED SERVICES
SEAPOWER AND STRATEGIC AND CRITICAL MATERIALS
PROCUREMENT AND MILITARY NUCLEAR SYSTEMS

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STATEMENT OF CONGRESSMAN ROY DYSON
FOR THE RECORD ONLY
20 March 1989

I appreciate the opportunity to address my colleagues on the Subcommittee on Military Installations and Facilities on a few of the crucial requirements faced by the military facilities of Maryland's First Congressional District.

Of paramount importance is an extremely serious problem that is threatening the health and safety of workers who support fleet readiness. A Chemical Laboratory replacement at Naval Ordnance Station, Indian Head, Maryland, is currently scheduled for inclusion in the FY '94 budget request. However, due to immediate threats presented from leaking mercury, asbestos contamination, and unsafe working conditions, the present building is being evacuated and as a result, fleet readiness may be jeopardized.

The current chemical lab is actually an assortment of five separate buildings, three of which are over 80 years old. Furthermore, these buildings were not designed to be chemical labs. A new facility will permit the Navy to meet federal and state occupational health and safety requirements. The new laboratory is also essential for Indian Head to meet federal and state requirements for effluent testing and analysis.

Safety requirements and space limitations prevent the expansion and upgrade of current facilities. The replacement laboratory will cost $8.2 million and the project is critical to ensure reliable and fleet-ready ordnance products. Although the 35% design requirement is not scheduled for completion until 1992, the emergency shut-down of one building and the marginal health and safety standards of the remaining four buildings threatens the future of this critical laboratory.

Indian Head's firm workload commitments for chemical analyses have increased due to the Navy's requirement for insensitive munitions which necessitate new formulations, ingredients, and methods of analysis. Low Vulnerability Ammunition (LOVA) propellants and an increased emphasis on small scale samples for in-service analyses will cause a 53% increase in the workload by 1993. The projected workload requires a facility designed specifically for the materials, ingredients and analytical methods required for the 1990's and beyond.

Without the replacement lab, sample testing and analysis backlogs are expected to cause delays in various Navy tactical weapon systems. These delays will adversely affect Anti-Submarine Warfare, Anti-Surface Warfare, Air Launched Missiles, Air Launched Rockets, Amphibious Warfare, Gun propellants, and OTTO fuel programs. Therefore, I urge the Subcommittee to direct the Secretary of the Navy to immediately begin design of a replacement laboratory and to include the replacement laboratory in its FY '91 budget request.

The Aberdeen Proving Ground (APG) is home to almost 50 tenant activities and over 14,000 civilian and military personnel are employed or stationed there. An additional 13,000 military retirees live in the communities surrounding APG. Despite the size of this crucial military Test and Evaluation facility, there is a critical shortage of indoor physical fitness space. Although APG has made a new indoor fitness center one of its military construction priorities, this important project has inexplicably slipped into the outyears.

Due to the severe shortage of space, physical training and organized athletics are conducted outdoors. However, such training and conditioning cannot be conducted during inclement weather. APG's location on the northern tip of the Chesapeake Bay subjects it to frequent storms and harsh winter weather. Unfortunately, these conditions prohibit physical training for extended periods of time. This is especially detrimental to the military personnel who are temporarily stationed at APG for specialized training.

The physical fitness center (project number 9038890) was originally designed to include an indoor pool to meet water safety requirements and cost $7.1 million. Since the water safety requirements have been dropped, the pool has been eliminated and the cost has been reduced to $4.6 million. However, after moving this vital project into the outyears, the Army has stopped design with less than 10% complete. Therefore, it is requested that the Subcommittee direct the Secretary of the Army to complete the 35% design requirement for the physical fitness center so that it may be included in the 1991 budget request.

Also of critical importance to APG is the Kirk U.S. Army Health Clinic. This is an outpatient facility providing primarily general medicine services and limited multi-specialty care. Although Kirk is the Army's largest clinic, it suffers from outmoded facilities and it does not meet inpatient accreditation standards. A new facility would not only serve the provide greater depth in critical health services, it would also be more cost-effective.

While a facility with hospital status is needed to properly care for APG's large civilian and military population, an upgrade of the current facility would improve the safety and efficiency of the Kirk laboratory and provide greater use of the current facilities. This upgrade would centralize the laboratory operation by expanding the facility while improving the cooling system. An additional renovation would expand Kirk's Ambulatory Clinic. Such an extension would increase the number of physician examination rooms from 2:1 to 3:1 while improving the space needed for patient waiting and triage. The increase in overall space should permit more patients to be seen with less clinical staff.

Although the scope of work (DD Form 1391) has been completed (cost estimated at $998,000), the Health Services Command Facilities Division has not funded the program. Therefore, it is requested that the Subcommittee direct the Secretary of the Army to take immediate action to provide funding for the upgrade of this crucial facility.

The Aberdeen Proving Ground also possesses a requirement that is essential for secure operation of computer facilities crucial to Test and Evaluation missions. The project is a computer building addition (project number 9196620). This addition will cost $800,000 and is urgently required to provide adequate, safe, secure facilities to house sophisticated research and development (R&D) computer systems for data evaluation, manipulation, compilation, and analysis associated with experimental techniques. This will permit exploration of problems for which physical experimentation is not environmentally practical.

The current building is overcrowded and precludes operation in the classified mode concurrent with non-classified operations. All physical support systems are currently loaded to their maximum capacity. Without this project, continued reliance on the current facilities will severely impact the ability of research scientists and engineering personnel to accomplish the missions in R&D of rapidly advancing weapons, armor, and anti-armor technology. In addition, manpower will continue to be wasted and there will be inadequate protection of sensitive information and equipment.

I deeply appreciate the Subcommittee's consideration of these vital military construction projects. The Subcommittee's past support of these bases has ensured that they possess the infrastructures and facilities necessary to carry out their missions of national security.

TESTIMONY OF HON. TONY P. HALL
SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES
MILITARY CONSTRUCTION AUTHORIZATION ACT
MARCH 20, 1989

Madam Chair and members of the Subcommittee, thank you for the opportunity to present testimony on the Military Construction Act.

I am in support of the President's request for military construction funding for fiscal years 1990 and 1991. Included in this request is one project for fiscal 1990 and three projects for fiscal 1991 at Wright-Patterson Air Force Base, which is partially located in my district. I seek no additions to the request.

The project for fiscal 1990 is an Armed Forces Courier Station to provide secure storage for highly classified material traveling to, from, and through the Base. The Administration request is for $610,000. The station would replace an existing building which is inadequate for the volume of material sent through the Base. Under present conditions expensive measures are required to handle highly classified material. The Air Force projects that the cost savings of the new facility within the next few years would be greater than the cost of constructing a new building.

The requests for fiscal 1991 are a Professional and Technical Education Facility for the Air Force Institute of Technology (AFIT) for $5,500,000; a Foreign Material Exploitation Facility for the Foreign Technology Division for $4,650,000; and a $3,706,000 upgrade of hangers and shops for the Air Force Reserve.

The AFIT facility is needed to accommodate the increased number of students and faculty members in the School of Civil Engineering and Services. The school is currently located in a converted World War II wood frame facility.

The Foreign Material Exploitation Facility would provide proper climate controls and security to examine foreign aircraft. The new facility is needed to ensure accurate assessment of certain military capabilities of enemy foreign nations.

Your approval of these projects would be appreciated.

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TESTIMONY OF CONGRESSMAN JIM JONTZ

5TH CONGRESSIONAL DISTRICT OF INDIANA

BEFORE THE HOUSE ARMED SERVICES
SUBCOMMITTEE ON MILITARY
INSTALLATIONS AND FACILITIES

MONDAY, MARCH 20, 1989

I thank you for giving me the opportunity to submit testimony to the House Armed Services Subcommittee on Military Installations Facilities today in support of funding for Grissom Air Force Base (GAFB) in Peru, Indiana.

It is a privilege for me as Congressman of the 5th Congressional District to represent the Base and its mission.

Grissom Air Force Base was originally constructed in 1942 as a Navy Pilot Training Base, and since then has been closed and reopened as an Air Force Base. Most of the improvements since the reopening have been concentrated on the airfield facilities. For the most part, infrastructure and support facilities have been neglected. This Committee approved funding for a much needed Traffic Management Facility (TMO) for fiscal year 1989, but that was the first and long overdue military construction project which had been authorized in several years. Through active self-help projects, the Base has instituted many improvements, but there remains serious needs for modernization, new construction, and upgrades of existing facilities. Many of these projects simply cannot be undertaken through the self-help approach, and will need a commitment of resources by the Air Force and United States Defense Department.

I would like to bring to your attention two important projects which the Base has identified as their top priorities for fiscal year 1990. Unfortunately, no funds for these projects or any others were included in President Reagan's budget submission. I fully appreciate the problems we face with the federal deficit, the need to balance the budget, and cut unnecessary military spending. You are faced with difficult choices and competing priorities in determining where our shrinking defense dollars will be spent.

However, Grissom is a vital and active Base, and as such, it needs continued investment by the government in order to perform its mission as a refueling wing of the Strategic Air Command (SAC).

The first and most pressing need on the Base for which I am requesting funds is $4.65 million to modernize the existing waste water treatment plant. The existing facility was built in 1942. Though it has been modified periodically since that time, it lacks the technological capability to treat the Base's industrial and domestic wastewater or to comply with federal and state environmental regulations. As the saying goes, it's not for lack of trying; the functions required for such processes simply cannot be undertaken with the current plant. In fact, much to my concern and that of the Base officials, Grissom was notified of violations to the Clean Water Act on June 8, 1988 for violations which were cited in May, and June of 1988, and April, 1986 and 1985. A civil penalty of $100,000 was assessed in conjunction with the June, 1988 violation.

Grissom is attempting to rectify the situation. The most severe strain on the system is caused by excess aircraft washing compound in the Hanger 200 wash rack effluent. The Base has changed their washing compound, scheduled washings as far apart as possible, and is diluting the wash rack effluent with fresh water in an effort to keep the existing waste water treatment plant within tolerances. They are also testing a pilot plan to pretreat the wash rack effluent. However, pretreatment at the wash rack is a band aid solution, and an imperfect and partial solution at best. According to Base engineers, only complete separation of industrial waste and domestic waste will protect the environment and enable compliance to the state and federal environmental protection standards.

In reports previously issued by the Base, it has been said that it may be necessary to dump raw sewage into public waterways when the existing sewage treatment plant is disabled. Surely this is not a proper model of good government or sound military action.

The money I come before you today to request will enable this process to be undertaken by the Base. This is certainly in the interests not only of the Base, the individuals living on the Base as well as the surrounding communities, but in the long term interest of the health and well-being of our military forces and the environment. The situation appears to me to be grave and consequential, and I hope we can send a message to our military that we are concerned with national security and environmental safety by giving them the tools they need to perform this process.

The second project of great importance to the Base is the construction of a new Wing Headquarters building, which would cost $2.15 million. This project has been repeatedly left out of President Reagan's budgets, and it is an important step forward for the Base. I understand that buildings can be seen as less critical than a new weapon, but if the Base has inadequate facilities for command operations, it could pose a potential threat to the implementation of any military missions which could occur on the Base in certain circumstances.

The existing building is inadequate and obsolete. The building was constructed in 1942, and the command and control functions have grown to exceed the existing space. Further, as with many older buildings, it requires excessive maintenance, it is energy inefficient, and it does not permit strategic locations of personnel and equipment under one roof. Currently, some elements of the wing command are housed a different location on the Base some distance from the wing commander. Under serious or emergency situations, this inadequate structure and personnel arrangement could threaten proper procedures and under ordinary circumstances, impairs an efficient operation of the 305th Air Refueling Wing.

The requested funds would enable construction of a new building as well as demolition of over 51,000 square feet of other obsolete buildings.

In closing, I fully recognize the challenge facing you as you deliberate over the defense budget and confront the many competing demands on fewer and fewer dollars, all in the context of a bipartisan commitment to reduce the federal deficit. I applaud you for your willingness to undertake this task and preserve our nation's commitment to maintaining a strong national defense.

Grissom plays an important role in safeguarding our national security, and it is my firm belief that the requests I place before you will enable them to continue to perform the vital mission they are being asked to, and so ably executing as part of the Strategic Air Command.

I hope you will give Grissom's two important projects every consideration as you review the fiscal year 1991 budget. Thank you for your time and the opportunity to speak on behalf of Grissom Air Force Base today.

(For the Record)

STATEMENT OF THE HONORABLE LEON E. PANETTA ON THE MILITARY CONSTRUCTION AUTHORIZATION REQUEST FOR FISCAL YEAR 1990

BEFORE THE SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES
HOUSE ARMED SERVICES COMMITTEE

MARCH 20, 1989

Madam Chairwoman and Members of the Subcommittee, I am pleased to have this opportunity to discuss with you the military construction projects for the 16th Congressional District of California for Fiscal Year 1990 (FY1990). I have enjoyed working closely with you in past years to ensure that the military construction authorization provides needed facilities for our military personnel and their families, and I look forward to continuing this relationship.

I would like to take this opportunity to review the various military construction projects proposed for the 16th Congressional District. I can assure you that each of these projects is greatly needed and will contribute substantially to the effectiveness of these posts and the well-being of their populations.

The first two projects I would like to discuss fall within the purview of the Defense Language Institute (DLI), Presidio of Monterey, California. As you know, the DLI military construction request appears in both the construction request for defense agencies (Title IV) and the budget for tactical intelligence and related activities, submitted to the Select Intelligence Committee. The Defense Foreign Language Program is treated as an intelligence related activity.

The President has requested funding for the construction of two essential buildings at DLI in FY1990: $16.7 million will be required to fund the construction of a General Instruction Facility and an Academic Auditorium. Both buildings are included in the ten year approved DLI master construction plan.

The General Instruction Facility, estimated to cost $10.6 million, will provide much-needed classrooms and instructional support rooms for approximately 800 students, replacing a group of substandard buildings and rented public school property elsewhere in and around Monterey. As you may know, Congress has directed that instruction and training at DLI be consolidated; the construction of the General Instruction Facility will largely fulfill that mandate in the absence of funds accompanying the Congressional direction. The extant wooden buildings were built in 1903 and 1911 as cavalry stables and barracks. They lack sufficient heat, lighting, ventilation, sanitary facilities, and fire protection safeguards. DLI cannot provide the kind of intensive foreign language training it is required to in such conditions. As our armed forces target new mission areas, such as drug enforcement and treaty verification, DLI is called upon to develop modern teaching techniques and course preparation to keep pace with the constantly changing and complex demands of foreign language training. Recently DLI was forced by Congress to evacuate a training annex at the Presidio of San Francisco, creating the immediate need for the General Instruction Facility. It is absolutely essential to the continued success of the Defense Language Institute.

The Academic Auditorium is projected to require $6.1 million in construction funds in FY1990. At present, student assemblies and academic meetings are held in a sheet-metal building constructed in 1935 to shelter horses. The seating capacity of the current auditorium is 469, only nine percent of the combined student-faculty population. The new Academic Auditorium will be used for lectures; faculty and staff training; presentation of training problems; indoctrinations; cultural, ethnic and community functions; command functions and activities; and graduations. In addition, it will allow the seating of approximately thirty percent of the Institute's total population. I believe the auditorium is vital to the school's ability to assemble large audiences. When built, the auditorium will enable the faculty to gather together in one place for the first time. I cannot overemphasize the importance of the President's FY1990 military construction request for the Defense Language Institute.

The President has also requested the construction of one vital educational building and two very important building additions under the jurisdiction of the Naval Postgraduate School (NPGS) in Monterey, California in FY1990. He has asked that $750,000 be authorized and appropriated for an addition to the Fleet Numerical Oceanography Center's (FNOC) meteorological building, $5 million be approved for the expansion of NPGS's library, and $11,672 million be allotted to the construction of an Applied Instruction Building at NPGS.

As you may know, FNOC has a national reputation as one of our nation's premier centers for meteorological forecasting, a mission absolutely necessary to the well-being of the Navy's ships and submarines around the world. The FNOC meteorological building requires a 2,400 square foot addition to the northeast corner of the existing computer facility. The addition will house a new large-scale computer (LSC), designed to process environmental data required for fleet and Department of Defense support. The LSC will be used to install an improved world-wide environmental ocean forecast system to meet validated Navy requirements. Construction is due to be completed in time for delivery of the computer. The extant computer facility has no additional space in which to place the LSC. I could not be more supportive of the President's request for the construction of this facility's addition.

At the Naval Postgraduate School, the Dudley Knox Library expansion will add about 45,000 square feet to the library and make seismic protection, heating, and ventilation improvements to the building. The demands of the growing student population necessitate the library's expansion. The library is expected to continue to grow, and the addition will provide space for the classified collection. The library's present condition is very substandard for graduate institutions and its floor space is the smallest in the military in proportion to the number of students and volumes.

The Applied Instruction Building will be a three-story, 108,000 square foot classroom, office, and laboratory building. It will be the first building constructed at NPGS since the library was completed in 1970 and will constitute the first classroom space added in twenty-three years. The building will contribute to the alleviation of crowded conditions in classrooms, provide critically-needed classified study space, and permit the NPGS to conduct a greater amount of advanced research on behalf of the Navy. Currently the school accommodates 1,600 students, though it is built for 1,200. The Navy has directed that the school be able to house and teach 2,000 students by 1992. The Applied Instruction Building will enable NPGS to move toward that goal in providing laboratory facilities, student study space, and valuable classrooms. We must approve the President's request to enable NPGS to meet the Navy's graduate school needs.

Many of you are familiar with Fort Ord, near Salinas, California, and its ongoing military construction projects, including those for family housing. The Fort has not requested family housing unit construction for FY1990; the housing construction program will continue in FY1991. For FY1990 Fort Ord has requested, and the President has approved, only one project: an Automated Record Fire Range and accompanying Information Systems at a cost of $2.45 million. The Fort believes that Congress and the Department of Defense (DOD) has treated it very well in past years' authorizations and appropriations for military construction; for FY1990, therefore, it has asked for lower than customary funding in recognition of Congress's and DOD's historical understanding of the Fort's special needs as well as our nation's current severe budget constraints.

The Automated Record Fire Range FY1990 military construction will consist of renovations to the present range's control tower, latrine, operation storage building, general instruction building, ammunition breakdown building, bleacher enclosure, covered mess, maintenance trails, parking areas, foxholes, target emplacements, secondary power and data distribution systems, and communications and site improvements. In addition, the Fort will need to upgrade communication lines outside the range complex itself. The range must be modernized to meet the Army's new Automated Record Fire Range requirements, with 16 lanes and the infantry remote target system (IRETS). The IRETS is the only system capable of computerized operation on automatic targets. The range, which at present does not have automated record capability, will continue to serve the active Army, Reserve and National Guard units with a facility to exercise all live fire training requirements to improve combat readiness for infantry soldiers. The modernization of the IRETS and range equipment is necessary since an additional range is not contemplated. The present ranges were built in 1953 using M31 target mechanisms now considered obsolete and no longer available. Existing targetry is not compatible with the IRETS computer, and subsurface wiring has deteriorated to the point that training is frequently interrupted and requires a great deal of maintenance. Automated analytical scoring data is not available to the firer and trainers to assist in correcting firing deficiencies. In addition, I would note that if the project is not funded the high maintenance costs of the system will exceed the Fort's Operations and Maintenance Account ceiling, the Department of the Army's range modernization objectives will not be reached, and state-of-the-art training will not be made available to active and reserve soldiers assigned to Fort Ord. I am confident that the Subcommittee will authorize funding for Fort Ord's only FY1990 construction project.

Turning to Camp Roberts of the Army National Guard, I am happy to report that the President has requested funding for the addition and renovation of the Mobilization Annual Training Equipment Site (MATES) and the renovation of ten buildings in need of repair. The President has requested $6.014 million for the MATES addition and $765,000 for the building renovation program. As you may know, the building renovation program has been postponed in each of the past four years. I am very encouraged by the President's endorsement of these critically needed repairs.

The MATES addition/alteration will create 16,000 square feet of warehouse space for the storage of tools, radios, and other equipment and 47,140 square feet of maintenance area facilities. The Mobilization Annual Training Equipment Site enables maintenance workers to perform repairs and routine maintenance on tanks, other track vehicles, and other weapons used in the Army National Guard's exercises. The additional maintenance area and facilities will include a weapons vault, wash platforms, and the paving of hard-stand areas for work on track vehicles. The area currently allows approximately 75 workers to perform maintenance on 370 vehicles. The Army National Guard has directed that Camp Roberts boost its capacity to 220 workers and 800 vehicles, a goal the MATES addition will help to achieve.

The building renovation program will repair a collection of ten facilities constructed in 1941: seven headquarters and administrative buildings, one women's quarters, the military police building, and one warehouse. The repairs to be funded include the replacement of the 1941-era heating systems, electrical wiring repairs, plumbing repairs, the addition of metal siding and new roof materials, the replacement of carpeting where needed, lighting repairs, and indoor painting where needed. As you may imagine, Camp Roberts has waited patiently and anxiously for each of these repairs while funds have been denied by DOD over several years. I commend the President wholeheartedly for his request that Camp Roberts finally receive the MATES addition/alteration and the critically needed repair of ten buildings, and I would respectfully urge the Subcommittee to fund the

President's request in toto.

Incidentally, I would note that neither the Naval Environmental Prediction and Research Facility (NEPRF) nor Fort Hunter Liggett requested funding for military construction in FY1990. I know that the Subcommittee will keep this in mind in coming years when these installations will require military construction funding.

Before concluding, I would like once more to draw the Subcommittee's attention to another worthy project which is not in the President's request but which deserves consideration. There is a need for continuing attention to the educational facilities at our military installations. Monterey Peninsula College operates a large and popular program at Fort Ord for the benefit of personnel and their dependents on the base. The College shares several buildings with the educational and training programs operated by the base; unfortunately, some of the buildings are in rather poor condition. A multipurpose educational facility at Fort Ord would benefit both the Army's own educational programs and those of Monterey Peninsula College, and I would once again commend such an effort to the Subcommittee's attention.

As I did last year, I would like to assure the Subcommittee that the authorization request for Fiscal Year 1990 for projects in the 16th Congressional District of California represents only the bare essentials needed to keep these facilities operating and to provide safe and livable conditions for the service personnel at these installations. Many of these projects have been delayed for years, if not decades. Other important and badly needed projects, such as family housing at Fort Ord, have been put on hold for FY1990. The projects in the 16th Congressional District for which authorizations have been requested represent careful consideration and the highest priorities. They deserve to be funded fully.

In closing, I would like again to commend the Subcommittee for its accomplishments in the area of improving the lives of military personnel. There is still work ahead of us, however, and I urge the Subcommittee to approve the military construction authorization request for the 16th Congressional District as an important step forward in the progress of our armed forces.

Congreſs of the United States
Washington, DC 20515

March 20, 1989

The Honorable Patricia Schroeder
Chairwoman
Armed Services Military Installations
   and Facilities Subcommittee
U.S. House of Representatives
Washington, D.C. 20515

Dear Pat:

We are writing you and Mr. Martin to urgently request inclusion of funding in the FY 1990 Military Construction Authorization Act for a replacement Hazardous and Flammable Storage Warehouse at the Philadelphia Naval Shipyard. We have been informed that 9.7 million dollars will be sufficient to build a modern warehouse - thus preventing the dangers outlined below.

The Philadelphia Naval Shipyard requires the immediate replacement of this warehouse because of its imminent safety and environmental dangers. The facility was constructed in 1939. It houses such hazardous items as paints, solvents, and metal cleaners, which are crucial to the Shipyard's day-to-day operation.

However, the building's fire protection features are grossly outdated. Furthermore, it is located adjacent to a large fuel storage area. A fire in the warehouse could easily spread, endangering the people in the vicinity, along with disastrous air contamination. In fact, catastrophe did threaten 18 months ago, when there was a smoldering insulation fire at a nearby building. Thankfully, that fire was quickly extinguished, but the situation reinforced the urgency of building a new, modern facility.

In addition to the safety concerns, we are also worried about the environmental dangers due to the current location of the warehouse. The building stands along the shores of a reserve pond which flows into the Schuylkill and Delaware Rivers. These rivers support much of the natural fauna surrounding Philadelphia. Any leakage from the Hazardous and Flammable Storage Warehouse could seriously contaminate these waters.

It appears that the replacement warehouse we urgently support for the Philadelphia Naval Shipyard would require only site-adaption, since the preliminary design work has already been completed. The warehouse will have approximately the same design as the warehouse built at the Charleston Naval Shipyard three years ago. In addition, several other Naval facilities have similar design features.

The new warehouse site has already been selected at the Shipyard. It meets current safety and environmental projection criteria. Moreover, the warehouse design conforms to the improvements developed under the enactment of the Occupational Safety and Health Act, the National Environmental Policy Act, the Clean Air Act, and the Clean Water Act, as well as similar state and local laws.

We must fulfill our duties to protect the health and safety of our citizens. The replacement Hazardous and Flammable Materials Warehouse at the Philadelphia Naval Shipyard will eliminate imminent, life-threatening dangers for the Shipyard employees, as well as thousands of others in the vicinity. Therefore, we urge inclusion of funding for the project in the FY 1990 Military Construction Authorization Act.

Thank you for your continued assistance and cooperation.

Sincerely,

Curt Weldon

Thomas M. Foglietta, M.C.

Curt Weldon, M.C.

Congreſs of the United States
Washington, DC 20515

March 20, 1989

The Honorable David O'B. Martin
Ranking Minority Member
Armed Services Military Installations
and Facilities Subcommittee
U.S. House of Representatives
Washington, D.C. 20515

Dear Dave:

We are writing you and Chairwoman Schroeder to urgently request inclusion of funding in the FY 1990 Military Construction Authorization Act for a replacement Hazardous and Flammable Storage Warehouse at the Philadelphia Naval Shipyard. We have been informed that 9.7 million dollars will be sufficient to build a modern warehouse, and prevent dangers outlined below.

The Philadelphia Naval Shipyard requires the immediate replacement of this warehouse because of its imminent safety and environmental dangers. The facility was constructed in 1939. It houses such hazardous items as paints, solvents, and metal cleaners, which are crucial to the Shipyard's day-to-day operation.

However, the building's fire protection features are grossly outdated. Furthermore, it is located adjacent to a large fuel storage area. A fire in the warehouse could easily spread, endangering the people in the vicinity, along with disastrous air contamination. In fact, catastrophe did threaten 18 months ago, when there was a smoldering insulation fire at a nearby building. Thankfully, that fire was quickly extinguished, but the situation reinforced the urgency of building a new, modern facility.

In addition to the safety concerns, we are also worried about the environmental dangers due to the current location of the warehouse. The building stands along the shores of a reserve pond which flows into the Schuylkill and Delaware Rivers. These rivers support much of the natural fauna surrounding Philadelphia. Any leakage from the Hazardous and Flammable Storage Warehouse could seriously contaminate these waters.

It appears that the replacement warehouse we urgently support for the Philadelphia Naval Shipyard would require only site-adaption, since the preliminary design work has already been completed. The warehouse will have approximately the same design as the warehouse built at the Charleston Naval Shipyard three years ago. In addition, several other Naval facilities have similar design features.

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Thomas M. Foglietta, M.C.

Curt Weldon

Curt Weldon, M.C.

Now, let us move on to Sgt. Maj. Mack McKinney, U. S. Marines [Retired], who is the Legislative Counsel for the Non Commissioned Officers Association of America. Mack, we really appreciate your great endurance this morning. We will put your entire statement in the record, and the floor is yours.

STATEMENT OF SGT. MAJ. MACK McKINNEY, USMC RET., LEGISLATIVE COUNSEL, NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Sgt. Maj. McKinney. Thank you, Madam Chairwoman. The Non Commissioned Officers Association does extend its appreciation to you for inviting me to participate in the subcommittee's deliberation and consideration for the fiscal year 1990 and 1991 military construction and family housing budget.

I also would like to take this opportunity, if I may, to congratulate the young lady's ascension to the Chair, and to this distinguished subcommittee. Particularly, we believe it is one of the most important ones in Congress, and has done a great job, not only the members, but the staff, as well, in sustaining the high state of readiness now enjoyed by our Armed Services. Of course, just as important in continuing to the success of the all volunteer force.

I ask that my prepared statement be placed in the record, and I have a few moments to summarize the contents.

Mrs. Schroeder. Sure.

Sgt. Maj. McKinney. At the top of our list of priorities, is family and bachelor housing. The Association subscribes to the theory that as long as the Armed Services permits its members to marry, even enlisting some with ready-made families, everyone should be provided Government-sponsored housing, unless they opt for their own. For bachelors, the military is responsible to provide, we believe, comfortable quarters, unless they are undergoing combatant-type training. Bachelor service members should not have to reside in quarters built originally as temporary housing back as far as World War II and the Korean Era.

For family housing, NCOA believes that the major crunch can be relieved by using more manufactured housing and building mobile home parks on military installations.

Madam Chair, you have heard from Congressman Thomas concerning the personnel problems between Kings Bay and the Navy. NCOA continues to be concerned over homeporting. Construction installations in high cost areas do nothing but take money out of the pockets of enlisted personnel, and even junior officers, who must stretch budgets to accommodate the military's desire to broaden its scope of operation.

Other points of interest to NCOA are Section 6 Schools, child care centers, military treatment facilities, family counseling centers, MWR facilities, and overseas installation and family housing, all of which are addressed in my prepared statement. I might add, for the latter point, that NCOA subscribes to the recommendation that our overseas allies provide a larger share of the burden of defense currently funded by the United States. The Association believes that the Status of Forces Agreement with foreign nations should be renegotiated, so that the United States, and specifically, its uniformed service members, receive a better deal than under the present treaties.

In reviewing the 1991 construction programs, as published in the C-1, we have become interested in a few projects contained therein. We would like to bring them to the attention of the subcommittee at this time. One of them is for a $24 million expansion of Bancroft Hall at the Naval Academy, and another $12.4 million at the Military Academy. Another concern is focused on the Army's request for child care. Child development centers, at around $6 million to $6.9 million, and that of the Navy's which only enters in at about $1 million—I think at a max of $2.3 million. Although NCOA is aware that these Army centers would have other facilities attached thereto, or within the immediate vicinity—for example, family and bachelor. However, we believe that that money could be used better in family and bachelor housing, family support centers, for example, and expanding or upgrading some of our military treatment facilities.

That concludes my oral statement. I would be pleased to try to answer any questions that the Panel may have.

PREPARED STATEMENT OF SGT. MAJ. C.A. (MACK) MCKINNEY USMC (RET.)

THE NON COMMISSIONED OFFICERS ASSOCIATION

The Non Commissioned Officers Association of the U.S.A. (NCOA) is headquartered in San Antonio, Texas, with a National Capital Office (NATCO) in Alexandria, Virginia. NATCO is staffed with six (6) noncommissioned and petty officers; four (4) retired and two (2) veterans; with a combined record of more than 140 years of military service and nearly 50 years of representing the NCOA in governmental affairs. Two additional staff members are married to military personnel. Of the eight (8) there are two each with ties to the Army, Navy, Marine Corps and Air Force.

NCOA membership is currently in excess of 160,000. It is representative of all branches and components of the Armed Forces, including the Guard and Reserve or the Retired, with a majority serving worldwide on active duty. Most of the Association's active chapters are located on or near military installations. This close relationship with the military community is the cornerstone by which the Association builds its program of legislative initiatives.

Representatives of the NCOA have been active in the Nation's Capitol with annual appearances before the House and/or Senate Armed Services and/or Appropriations Committees each year since 1972. Primarily concerned with military personnel and veterans' issues, these spokesmen have appeared before and worked with the above committees and others having oversight authority or the appropriation of funds for such matters as U.S. Coast Guard personnel, veterans' affairs, housing and other military facilities, impact aid for schools, taxation, social security, civil service, unemployment compensation, and so on.

NCOA takes pride in having authored the first post-Vietnam Era G.I. Bill introduced in the House (1978) and Senate (1979). It is exceptionally proud to have been recognized by the 100th Congress as a federally-chartered organization. NCOA is the only military association so honored exclusively representing enlisted members and veterans of the Armed Force of the United States.

MILITARY CONSTRUCTION AND FAMILY HOUSING

FY 1990

Last year, the then Secretary of Defense, presenting the FY 1989 defense budget, advised Congress that his principal priority was quality people. This occurred after he had won the approval of congressional-interests to cut military manpower by 43,000. Additionally, subsequent actions reduced the operations and maintenance (O&M) account that directly related to military personnel (i.e.- training, steaming, and flying hours).

NCOA has urged that there be no further cuts in active duty manpower for this coming fiscal year. Concurrently, the Defense Department (DoD) is not seeking a reduction in its proposed end strengths contained in the FY 1990 defense budget request.

As such, the losses in overall strengths in FYs 1988 and 1989 will not significantly alter the need to assure the nation's remaining servicemembers that they'll be provided with quality-of-life enhancements that 1)- improve chances for their retention, and 2)- will continue the high state of combat readiness they currently offer the nation's defense posture.

Providing the insurance that there will be quality-of-life programs available for military personnel is the continuing task assigned to this distinguished Subcommittee. Its track record over the past years has been exceptional. In these days of rising deficits, pay caps, extended tours of duty, etc., this Subcommittee has earned a reputation as a friend of the servicemember. In fact, NCOA would attribute a major part of the success of the All Volunteer Force since 1982 to the Subcommittees having oversight of military construction and family housing.

HOUSING

Remaining at the top of the wish list for most servicemembers is the need for adequate and affordable housing. For many its availability is remote. Housing allowances are continuing to fall short of congressional intent, 85 percent of median costs. Currently military personnel are paying out-of-pocket expenses in excess of 21 percent. The result is a requirement for more on-base housing costing the servicemember only as much as his or her housing allowance.

NCOA subscribes to the construction of additional on-base mobile home parks and manufactured housing to provide a faster and more economical remedy. Following close behind is an advocacy to stimulate increased construction of privately-funded housing that can be made available to younger servicemembers at reasonable rents (i.e.- no more than housing allowance receipts).

(NOTE: Overseas housing is addressed later in this statement).

DAVIS-BACON ACT

Under most circumstances NCOA concedes that, "What is Caesar's should be rendered unto Caesar." But, in the case of military personnel-related construction projects, the Association believes the appropriate unions should be more benevolent toward the very people who protect the right of unions to represent the citizens of this great nation.

The average cost of building or remodeling military-financed and owned housing is, in many areas, exorbitant. This is exceptionally true whenever there's a shortage of military housing for married servicemembers. When some builders can construct any number of single-family homes for a purchase price of less than $75,000- even in locations adjacent to high-cost sectors, such as the Washington Metropolitan Area- then like-homes on military bases should be priced somewhat less.

NCOA recommends that Congress take decisive action to amend the Davis-Bacon Act. In lieu of the original provision requiring workers to be paid at prevailing rates on all federal contracts valued at $2,000, change the sum to a more contemporary figure of $100,000 (for new military housing construction) and $25,000 for alterations to existing facilities. (In the FY 1989 family housing budget request, the average construction cost per unit for the Navy and Marine Corps was nearly $90,000.)

HOMEPORTING

NCOA continues to concern itself with the homeporting program. The Association is extremely uncomfortable that the Navy will plunge deeper into constructing installations near densely-populated and high-cost areas with little concern for the needs of its people.

Once again, NCOA memorializes this distinguished Subcommittee to ascertain itself and others that our sailors and their families will be provided with adequate quality-of-life facilities and programs, or are adequately compensated for the lack of same, upon assignment to these installations.

BACHELOR QUARTERS

The most economical asset the Armed Forces has is the bachelor servicemember. Although much of the focus of quality-of-life enhancements has been rightfully targeted to benefit the military family, more emphasis on improving the lifestyle of our single military personnel needs to be addressed. As noted in a 1985 survey, the quality of housing was rated by enlisted bachelors at a very low level of satisfaction.

Some of the objectives this Subcommittee should consider are: constructing more bachelor enlisted quarters (BEQs), upgrading existing BEQs, reevaluating space allocations, having the Defense Department take a closer look at some over-restrictive policies concerning living spaces (i.e.- visitation rights), and insuring timely attention to maintenance and furnishing of the facilities. A good beginning would be at military installations having servicemembers residing in World War II barracks, constructed 40+ years ago, or those of Korean War vintage, some 30+ years ago.

SCHOOLS

NCOA is pleased that DoD is abandoning efforts to transfer Section 6 Schools to local school districts. The Association recommends that Congress agree with Defense and adequately fund the needs of these vital facilities for future years.

The education of dependent children of servicemembers is probably of greater concern to the military family than most U.S. citizens. Military children are subjected to many moves from one school to another. If the change is from a military-operated school to one operated by certain local civilian school districts there could be a probable down-grading in the quality of instructions provided the students.

To maintain quality, to assure military personnel their children will not be disenrolled when adequate funding (impact aid) is not available; and to insure an orderly process in administering and operating existing school facilities, NCOA recommends Congress authorize and appropriate funds for Section 6 Schools as provided in law (P.L. 81-815 and P.L. 81-874). As of September 1987, forty-seven (47) DoD-funded Section 6 Schools required an estimated $93 million for construction, repair, or rehabilitation.

NCOA also urges this distinguished Subcommittee to pay particular attention to dependent schools overseas (DoDDS) and their impact on the morale of U.S. troops stationed in foreign countries. Insufficient consideration has been given in the past to these educational facilities, not so much in the construction sense but in the schools' operations.

Although admittedly not a matter for consideration by this

Subcommittee, it should be one of concern that a member of the House Post Office and Civil Service Committee has introduced legislation, H.R. 217, that amends the DoDDs Teachers Pay and Personnel Practices Act. The proposal blatantly discriminates against military spouses.

The proposal enhances the benefit package for individuals recruited outside the United States for service in a teaching position. However, spouses residing with their military sponsors would be denied this entitlement. Whereas a spouse of a civilian employee of DoD overseas may earn the privileges, a spouse of an Army sergeant cannot.

This sort of legislation needs to be discarded by Congress.

CHILD CARE

The military departments are having greater need for child-care facilities on federal installations worldwide. The birthrate and the growing number of military spouses with young children seeking employment to offset declining military compensation, are growing by leaps and bounds. The Air Force, for example, is providing only half of its current and future requirements for this activity.

The military services need larger subsidies for the construction, operation, and maintenance of these centers. And of equal need is funds to compensate child care workers. According to a Defense Department official, one military installation offers less wages to its child care workers than those employed to collect trash.

Constructing more facilities without heeding the cry for changes in the way child care workers are compensated is not the answer to the challenge. A higher priority must be extended by the services to increase operating funds and push for amendments to federal regulations limiting the amount of funds that can be expended on MWR facilities and activities, and in lifting the restriction on using appropriated funds for employees' compensation.

The Subcommittee's assistance in this area will be appreciated by all concerned.

MILITARY HEALTH CARE

NCOA officials were surprised to learn how much more a military hospital can do with $250,000 than, say, sinking an equal sum into upgrading flag officers' housing.

In the case of one hospital, appropriating that amount for its use would provide an additional room for patients requiring removal of clothing for examination purposes.

Due to overextended conditions, five family practitioners must use their individual offices to allow patients to dress or undress. This reduces the number of patients the doctors can accommodate. It has caused the patient overload to opt for the costly CHAMPUS program.

NCOA does not see an end to the deficit problem by reducing needed funds to modernize the military's medical facilities and their inventories. The costs to accomplish this task will only multiply in the out-years. The services need about $450 million a year, according to a Defense official, to adequately support the departmental program.

NCOA urges Congress to consider authorizing and appropriating this amount annually so that military treatment facilities may be modernized or replaced on a more reasonable and economical cycle.

MORALE, WELFARE & RECREATION (MWR)

The Non Commissioned Officers Association is visibly concerned that the reduction in MWR appropriated funds over the past few years has taken a deeper cut in MWR construction plans and activities than warranted. Although some funds were used to provide MWR activities for servicemembers who possibly can afford to pay higher costs, their denial adversely affects many of the younger, less-affluent.

One of the primary duties of military leadership is to provide young servicemembers with healthy and clean recreational activities that enhance moral character. Such programs in the civilian community are principally funded by the taxpayers and it should be so within the military establishment.

NCOA urges Congress to reconsider denial of these funds and reauthorize and appropriate adequate funds to construct, modernize, implement, and operate MWR facilities and programs, particularly for younger servicemembers.

The availability of substantial MWR activities will do much to keep young servicemembers on military installations. This will lessen the chance of their outside involvement in questionable and suspect ventures.

FAMILY SUPPORT CENTERS

While on the subject of MWR facilities, NCOA cannot fully express it advocacy for the construction and operation of family support centers. NCOA believes that every military installation moving troops in-and-out of country or conducting stressful training programs should have a family support center. The availability of parenting classes, parent-support groups, family workshops and member employment assistance, counseling and counseling referrals (particularly in support of families subject to deployment), and child-abuse counseling, to name but a few, provide a healthy environment for our servicemembers and their families. Whatever the cost, these centers are well-worth the monies spent for their construction and operation.

OVERSEAS FACILITIES

NCOA supports any proposal that expands the financial contributions of foreign nations whose defenses are furnished to some extent by the U.S. Armed Forces. In the matter of construction, for example, these foreign nations should be required to pay a fair share of the costs. If the United States should withdraw its military manpower from these countries, the permanent buildings, facilities, and structures would become the sole property of the host nations.

NCOA, therefore, recommends that Congress demand increased contributions from foreign nations housing U.S. troops and equipment that shore-up the host country's defense posture. The devalued dollar (along with favorable provisions for host nation's in status-of-forces agreements) does much to enhance foreign economies. It's far past the time for the United States to stop playing the "rich uncle" role and, at the minimum, seek equal partnership in all things common to the defense of the host nation and the NATO agreement.

U.S. military forces overseas should have modern facilities, and adequate training areas without subjecting individual servicemembers to substandard housing and working environments, exorbitant rents, and a depleted bank account eventually leading to indebtedness prior to a return to the United States.

Should host nations refuse to accept a greater financial role in retaining U.S. troops, NCOA recommends that the United States reassign its forces accordingly.

NCOA DOING PART

NCOA chapters overseas and stateside are raising funds to aid in the operation of many on-base activities and programs once supported by appropriated or nonappropriated funds.

Last year, NCOA chapters in the Federal Republic of Germany raised $41,000 to benefit local military programs. In addition, NCOA, itself, funds a medical trust fund, a scholarship fund, and veterans' job fairs, as well as other community programs sponsored by individual chapters.

NCOA is doing its part and, hopefully, will do more. Nevertheless, the major funding must come from the nation's taxpayers. It is they who receive the end result of our servicemembers' vigilance and dedication.

As the taxpayers' representatives in Congress, NCOA relies on your venerable wisdom to adopt and fund the best of the requests for quality-of-life improvements that benefit our men and women in uniform and, most importantly, sustain the high-level of personal combat readiness now enjoyed in the Armed Forces of the United States.

-end-

Mrs. **Schroeder.** Well, we really appreciate your testimony. You have hit some hot buttons of this committee, which we appreciate. That is, certainly that family housing is terribly important. You have overcome your Marine training. You want to have a family or have requisitioned one, or whatever.

Sgt. Maj. **McKinney.** That was back in my day.

Mrs. **Schroeder.** We appreciate your pointing out some of the problems of negotiating treaties overseas, and the impact that has on families left to do all sorts of things they may not want to do in the services, too. So, we really appreciate that, and we will certainly take it into account.

Sgt. Maj. **McKinney.** Has the gentlelady had an opportunity to look at the overall Status of Forces Agreement?

Mrs. **Schroeder.** Well, try and get your hands on the Status—they keep telling us there is one. We chased it for 2 years, and no one could ever show us.

Sgt. Maj. **McKinney.** I chased it for ten.

Mrs. **Schroeder.** Did you ever find it?

Sgt. Maj. **McKinney.** I finally have the master, which tells you nothing.

Mrs. **Schroeder.** It was the doggonedest thing I have ever seen, because anything we asked——

Sgt. Maj. **McKinney.** I started out because of the insurance problem in Germany for the enlisted people back about 15 years ago. I went from the Department of Defense, who blamed the Department of State, who blames the Army, who blames DOD, who blames Congress. I tell you, that is all I did, was go around in circles. I finally—some friend of mine gave me a copy of the overall one, which, as I say, says absolutely nothing, other than if you go out and talk to these other countries, and then whatever you come up with as a side agreement is fine. That is our problem, are these side agreements.

Mrs. **Schroeder.** I couldn't agree with you more. I never found anything so frustrating in my life is that everything we wanted to do, well, you cannot do that because of the Status of Forces Agreement. We would say, where is it? They all knew what was in it, but nobody could tell you where it was. So, it was very troubling. I am glad to hear that you had the same situation. Even the most minute, simple, little request—I think it is the greatest new form of stonewalling I have ever seen.

Sgt. Maj. **McKinney.** I do not think anybody is proud of it. I mean, after reading it, I would not be either.

Mrs. **Schroeder.** Yes, I think you have got a very good point. Well, we will stay on it, because it is very troubling as to how they use it to stop so many things that we would like to do, that I think are helpful. Congressman Martin.

Mr. **Martin.** Mack, thanks again. We appreciate your testimony. It's not just your efforts on the days that you are here to testify, but the countless days and hours that you are here whenever the subcommittee seemingly is in session. That is noted, as well.

You mentioned that the Association subscribes to the construction of additional on-base mobile home parks and manufactured housing to provide this housing faster and more economically. You and I can both remember situations where mobile home parks were a hazard to look at and a hazard to live in.

Now, we have come a long way, and we do have some well managed mobile home parks, particularly those that are aboard the facilities, which are a credit to the various facilities, and certainly livable as far as our personnel are concerned. I think that is something we have to recognize for the future. But, they require particular attention, because once they start downhill, there is no controlling them.

But, thanks a lot for your testimony, and I will be seeing you again before the committee. I know I will be seeing you on a weekly basis somewhere on Capitol Hill.

Sgt. Maj. McKinney. Thank you.

Mrs. Schroeder. Congressman Blaz. You're ready?

Mr. Blaz. I walked in just in time to hear you say those fine words about the Marines. I am prompted to mention that not only is the Sergeant Major a Marine, David Martin is a Marine, I am a Marine, and so, by the way, was Ron Dellums. I must say that, I guess, it is because of your fine training in the Marine Corps that makes you so aware of the quality of life. Things that make you always a champion. I am just reading your statement, and I just want to thank you, also. You are a person that is really quite a fighter up here, and I share the remarks by Mr. Martin that we can always count on you to have a view on things that particularly affect the enlisted community of all of our services. I thank you for being here.

Sgt. Maj. McKinney. I am looking forward to having that in writing. I want to take it back to my boss to see what I can do to get a pay increase. Thank you very much.

Mrs. Schroeder. Well, we really, really appreciate your being here. Thanks. The next witness we have had patiently waiting and we apologize again, is Ms. Sydney Hickey, the Director of Government Relations for The National Family Association. We welcome you. We will put your statement in the record, and we apologize for our tardiness, but the floor is finally yours.

STATEMENT OF MS. SYDNEY T. HICKEY, DIRECTOR OF GOVERNMENT RELATIONS, THE NATIONAL MILITARY FAMILY ASSOCIATION, INC

Ms. Hickey. Thank you very much, Madam Chairwoman. The National Military Family Association appreciates this opportunity to express its views. This year's pay raise, substantial increase in basic allowance for quarters, and increased household goods weight allowances are greatly appreciated. The modest increase in VHA in conjunction with the raise in BAQ rates will slightly reduce out-of-pocket expenses for the military family. However, experience suggests that rental prices in a given area have a tendency to rise proportionately with increases in VHA rates. It is not inconsistent to assume that increased BAQ rates will have the same effect. This upward spiral is costly to both the Government and to the military family.

Constructing military family housing with military construction funds is a costly and lengthy process. Alternatives that are less expensive and usually speedier include the various build-to-lease programs. These programs must, however, be realistically funded. A contract "on the street" does not translate into housing for military families. For example, the 801 build-to-lease housing program on Staten Island is nowhere near the 1,000 planned units, and yet, Navy families are expected to arrive in early 1990. Are these leases realistically priced?

Other programs should be investigated. Both the Marine Corps and the Army have proposed cooperative housing programs. Capehart type mortgage financing can substantially add to the inventory of family housing without commensurate up-front costs. The annual cost for this type of financing could be a savings when compared with the paying of increasingly larger amounts of housing allowances. NMFA would like to see programs utilizing these ideas instituted as soon as possible.

Military families overseas are, in particular, in need of adequate Government housing. German realtors frequently charge a non-refundable fee, equal to 2 to 3 months rent, simply to find housing for the military family. The new worldwide indemnity program would not alter these charges. NMFA anticipates that the Army's relatively new Government Rental Housing Program will help to alleviate some of these problems for Army families.

DOD conservatively estimates an 80,000 space deficit in their child care program. This does not include the badly needed drop-in spaces for respite care to present child abuse, or for volunteer workers. DOD's original request of $44 million for child care center construction will not come close to meeting the deficit. N.M.F.A.'s suggestion for immediate solution is for DOD to subsidize child care spaces in the private sector. Military families could cost share up to the amount of the fees at on-base centers. However, unless there is clear evidence that military families will need less space in the future, fewer working spouses, or fewer children born, on-base child care center construction is a least costly long-term solution.

The request for renovation of the Section 6 Schools in Puerto Rico is necessary to alleviate overcrowding and deteriorating facilities. In fact, according to the September 1987 Dole report, $21 million would be needed just to meet basic health and safety requirements of all the Section 6 Schools. In addition, NMFA concurs with DOD's position on the turnover of these schools, and request for legislative relief from the current implied Congressional mandate.

Department of Defense Dependents Schools [DODDS] states that they have 77 schools without facilities for hot lunches. N.M.F.A. has expressed its concern about young elementary children who have to eat their bag lunches outside whatever the weather. Of equal concern are older children spending their lunch hours off campus at the local Gasthaus and either not returning or not being capable of understanding an afternoon of instruction.

N.M.F.A. is concerned that the cuts mandated by the new administration's budget could mean a postponement of lunchroom construction, of needed repair and maintenance, and of the vital construction of new DODDS facilities. In Bermuda, elementary school children attend school in a rusted, metal pre-fab with a leaking roof. In Hohenfels, Germany, students are bused 52 miles each way to Nurenberg for school. In Bicster, United Kingdom, elementary students attend school in what was a World War II POW compound.

Substantial out-of-pocket relocation costs continue to be unreimbursed. Expenses are aggravated by a lack of information or misinformation. These pamphlets, Madam Chairwoman, are what is available at a local Army installation for military families PCSing to OCONUS areas. This pamphlet is a generic one for overseas. It was printed in 1970. This pamphlet on Alaska was printed in 1974. This pamphlet on Panama was printed in 1981, and this pamphlet on Korea was printed in 1982. N.M.F.A. suggests that an organized relocation program with standard information should be made available to all military families. Under current stringent budgets, such a program should probably rely on training of existing personnel, the purchase of software and appropriate equipment. Measurable evaluation standards for the program must be developed.

That ends my oral statement, Madam Chairwoman.

PREPARED STATEMENT OF MS. SYDNEY T. HICKEY

The National Military Family Association (NMFA) is a volunteer organization composed of members from the seven uniformed services, active duty, retired and reserve, and their family members and survivors. NMFA is the only national organization whose sole focus is the military family and whose goal is to influence the development and implementation of policies which will improve the lives of those family members. NMFA appreciates this opportunity to express its views.

Military families of today are apprehensive about their future. They need the assurance of a certain amount of stability in their lives.

STABILITY OF PAY

They need to know that they will not have another cut in take home pay. They must have the assurance that, barring a general economic decline in the United States, they can purchase tomorrow what they can purchase today.

STABILITY OF HOUSING COSTS

They need the assurance that their out-of-pocket housing expenses will not fluctuate wildly every time they move and will stabilize at the 15% mandated by Congress.

STABILITY OF THE MEDICAL BENEFIT

They need the assurance that promised medical care will be available and accessible today and tomorrow.

STABILITY OF OTHER BENEFITS

They need the assurance of continued savings at the commissary and exchange and the assurance that on-post recreational opportunities will not be priced out of their family budget.

STABILITY OF MILITARY CAREER

They need the assurance that, given good performance, the military member can count on a career, if so desired, and not be subject to arbitrary, budget driven Reductions in Force (RIFS). They need the assurance that earned promotions will not be unnecessarily delayed.

STABILITY OF FAMILY LIFE

They need the assurance that unaccompanied assignments will be as few and as short as possible and that they be mission related and not budget driven.

STABILILTY IN THE FUTURE

They need the assurance that the retired pay and benefits promised at recruitment will be there at retirement.

Why does the military family think its stability is threatened?

In 1989, a highly trained helicopter mechanic, E-4, receives $966.50 a month in base pay, 1.2% behind inflation and 10.5% behind the private sector. His young family arrives at each new duty station $1,000.00 to $3,000.00 in debt from unreimbursed Permanent Change of Station (PCS) and temporary living costs. They are paying 21.5% of their housing costs. The price for on-post movies, bowling alleys, hobby shops and other recreational outlets have increased 40 -

100%. Fees for on-post child care have risen substantially and waiting lists are long. Drop in care, whether for badly needed respite care or for volunteer workers, is essentially not available. Department of Defense Schools consist of temporary buildings with leaking roofs. Since access to medical care in a military treatment facility is limited for his family, the E-4 is forced to send them out on CHAMPUS. The CHAMPUS deductible for his family is $100 a year and his co-payment approaches 30-40%, since less than 50% of physicians accept CHAMPUS assignment.

Military families have been authorized an extra month's Dislocation Allowance (DLA) on PCS. They have never received it. Military families who do not itemize on their federal income tax are no longer able to deduct their unreimbursed PCS costs. Families overseas were suddenly forced to absorb unexpected and extremely costly CONUS transportation for their college students. Last summer, families with teen-agers, particularly those overseas, were greatly disturbed by the sudden drastic cutbacks in youth programs and youth employment opportunities. The closure of post-sponsored activities forces children to the economy for leisure time - an environment that has no age limitation on the purchase of alcohol or tobacco. Status of Forces agreements allow essentially no opportunity for off post employment.

This year's pay raise, substantial increase in Basic Allowance for Quarters (BAQ), and increased household goods weight allowances are greatly appreciated. The modest increase in VHA in conjunction with the raise in BAQ rates will slightly reduce out-of-pocket expenses for the military family. However, experience suggests that rental prices in a given area have a tendency to rise proportionately with increased VHA rates. It is not inconsistent to assume that increased BAQ rates will have the same effect. This upward spiral is costly to both the government and the military family.

STATESIDE HOUSING

Constructing military family housing with Military Construction (MILCON) funds is a costly and lengthy process. Alternatives that are less expensive and usually speedier include the various build-to-lease programs. These programs must, however, be realistically funded. A contract "on the street" does not automatically translate into housing for military families. For example, the 801 program to lease housing on Staten Island (Navy Homeporting program) is nowhere near the planned 1000 units. Sailors and their families are due to start arriving in 1990. Are the leases realistically priced?

Other programs should be investigated. Both the Marine Corps and Army have proposed cooperative housing programs. Capehart type mortgage financing can add substantially to the inventory of family housing without commensurate up-front costs. The annual cost for this type of financing will be a savings when compared with paying increasingly larger amounts for housing allowances. NMFA would like to see programs utilizing these deas instituted as soon as possible.

NMFA continues to be concerned that adequate support services and facilities be available at the new Navy homeports before families arrive. In addition to the difficulty the Navy has faced in securing leased units off base, there is a planned-for deficit in housing for Staten Island of 300 units. Military families cannot afford to live in the private sector on Staten Island. Separated families and geographic bachelors will be the result.

OVERSEAS HOUSING

Military families overseas are in particular need of adequate government housing. Younger families, especially, have a feeling of abandonment when they are forced to find housing on the economy in a foreign country. Unlike stateside housing, these houses often have no refrigerator, no stove, no light fixtures, no kitchen cabinets and no closets. Military families are often unable to converse with their neighbors and the local culture may be inhospitable. Finding affordable housing is often close to impossible within the period of time that service members are permitted to live in temporary quarters. When permanent housing can be found, the move-in costs often total 6-7 months rent. German realtors frequently charge a non-refundable fee equal to 2-3 months rent, simply to find housing for the military family. The new worldwide rental indemnity program would not alter these charges. NMFA anticipates that the Army's relatively new Government Rental Housing Program (GRHP) will help to alleviate some of these problems for Army families.

The services estimate that the shortfall of adequate housing units will be 59,000 by the end of FY 1989. The Navy alone projects a 55,000 unit deficit in FY 1993. The current request for funding of military housing, 33% less than appropriated in FY 1989, will not come close to meeting the present and anticipated housing deficit. Without low cost alternatives, the government will be faced with ever escalating stateside VHA rates. The military family will have to live further and further away from duty stations, in less desirable quarters at increased out-of-pocket costs.

CHILD CARE

The 80,000 space deficit that DoD conservatively estimates includes only military children. The deficit would increase substantially if the children of DoD civilians were included. DoD's original request of $44 million for child care center construction would not meet the current space deficit.

NMFA's suggestion of subsidizing child care spaces in the civilian community is an excellent immediate solution. However, unless there is clear evidence that military families will need less spaces in the future, i.e. fewer working spouses or fewer children born, on base child care is the least costly long term solution.

The military wife with young children contributes more to the family's income than does her civilian counterpart. Her unemployment rate is three times higher. Lack of adequate, affordable child care is often given as a reason for unemployment.

SECTION 6 SCHOOLS

The request for renovation of the Section 6 schools in Puerto Rico is necessary to relieve severe overcrowding and deteriorating facilities. According to the September 1987 Dole report, $21 million will be needed just to meet basic health and safety requirements of all the Section 6 Schools.

DEPARTMENT OF DEFENSE SCHOOLS

DOD's original budget request for its overseas schools included $6.6 million in FY 1990 to build eight lunchrooms and $16.8 million in FY 1991 to build an additional 26 lunchrooms. Department of Defense Dependents Schools (DoDDs) states they have 77 schools without facilities for hot lunches. NMFA has frequently expressed its concern about young elementary children who have to eat their bag lunches outside whatever the weather. Of equal concern are older children spending their lunch hour off campus at the local Gasthaus and either not returning for afternoon classes or not being capable of understanding an afternoon of instruction. NMFA is concerned that the cuts mandated by the new administration's budget could mean a postponement of lunchroom construction, needed repair and maintenance, and the vital construction of new DoDDS facilities. In Bermuda, elementary students attend school in rusted, metal prefabs with leaking roofs. In Hohenfels, Germany, students are bused 52 miles each way to Nurnberg for school. In Bicster, United Kingdom, elementary students attend school in what was a World War II POW compound.

MEDICAL CONSTRUCTION

The Navy indicates that a proposal for long delayed construction of a hospital to replace the current one in Naples, Italy, is expected to be submitted shortly. The hospital was built as a hotel and is sitting on an active volcano site. NMFA strongly requests approval for this proposal and hopes for rapid construction at Capodichino.

RELOCATION

The increase in the household goods weight allowance in July 1989 will reduce some PCS expenses. However, substantial out-of-pocket relocation costs continue to be unreimbursed. Expenses are aggravated by misinformation or a lack of information about temporary lodging, availability and cost of housing, local cost of living, and spouse employment opportunities. Current relocation information is often scant, inaccurate and outdated. Sponsorship programs are not working. The DoD relocation test run by the Army has been completed, but evaluations will not be ready for several months. The initial reaction of military families who have used the program is very favorable.

The Army, in reaction to strong demand for increased relocation assistance, is planning to use a modified version of the software developed for the test. The Army's program will function out of Army Community Service, utilizing trained volunteers and existing personnel. However, some overseas commands are apparently declining to participate.

The Air Force relocation program (STAR) allows national realty and relocation assistance firms to access Air Force housing offices. The program is unstructured and at no cost to the government. The Air Force appears to have no method of feedback to determine how well the relocation assistance firms are meeting the needs of families.

The Navy is contacting national realty and relocation assistance firms and encouraging them to send packets to local Housing Offices. Local commands have been encouraged to make the housing referral office a part of the check-out procedure, so Navy families can pick up packets regarding their new duty station. However, by the time a service member checks out, it may be too late for the packet to be of much assistance. Again, lack of feedback makes evaluation difficult.

NMFA suggests that an organized relocation program with standard information should be made available to all military families. Under current stringent budgets, such a program should probably rely on training of existing personnel, the purchase of software and appropriate equipment. Measurable evaluation standards for the program must be developed.

The young military family is patriotic, hard working, and enjoys challenge. They appreciate the camaraderie and adventure of service life. They value the experience of being part of a professional team. They want to stay in the military, but the challenge of military life must be balanced with a certain assurance of stability. They must have faith that those who make the decisions affecting their lives do care about them as people.

Benefits that are inaccessible, unaffordable and undependable are not benefits. Pay rates below inflation and inadequate housing allowances are not competitive compensation. Newspaper headlines threatening a reduction in the number of dependents overseas immediately translate into more family separations. Military families are familiar with family separations. They understand that the defense of the country always come first. They understand mission related separations. They do not understand arbitrary budget decisions that will forcibly separate them.

When the young soldier, sailor, marine or airman makes a commitment to serve his country for four to six years, what is the country's commitment to him?

Mrs. **Schroeder**. Well, thank you very much. We appreciate your being here this morning. I hope we took care of your complaint that I hear you had of me in a meeting where you were criticizing me for not killing a bill that I did kill. You just wanted me to kill it verbally, and I hope you know there is more than one way to kill a bill. Sometimes if you do it verbally, you only make a lot of people mad, and they show up. The next time you lose. So, I hope you can trust our instincts a little more in the future on those kinds of things. Congressman Martin.

Mr. **Martin**. I want to thank you, again, for the excellent statement. I am becoming more aware of how quickly a community surrounding a facility can adjust their rents. I do not think it is rent-fixing, but the conscious parallel is that it happens almost immediately upon an increase in BAQ pay. That is most unfortunate in some instances, I think, unpatriotic. But, thank you. You obviously have been here and you know our concerns and our attempt to try to get a larger share of the budget than 2.8 percent of the entire defense budget. We are military construction, and hopefully any money that we get for an increase, which we are hoping to be fighting for, will be in those quality of life situations as you speak of. Thank you.

Ms. **Hickey**. Thank you very much, Mr. Martin.

Mrs. **Schroeder**. Thank you. Congressman Blaz.

Mr. **Blaz**. Just a quick question on the pamphlets that you have there. Am I to understand that those are the latest that they have now?

Ms. **Hickey**. This is all the pamphlets that are available in these areas at a local military installation in the Washington, DC area. Yes, sir.

Mr. **Blaz**. They are grossly out of date.

Ms. **Hickey**. Yes.

Mr. **Blaz**. Thank you.

Ms. **Hickey**. Thank you, sir.

Mrs. **Schroeder**. Thank you very, very much. We appreciate it.

Ms. **Hickey**. Thank you, Madam Chairwoman.

Mrs. **Schroeder**. Our final witness this morning, who gets the patience of a saint award, is Mr. Robert Lawson from the National Association of Home Builders. We welcome you. We apologize for being behind schedule, and we hope you have not starved. We do not want that on our conscience. But, we are very pleased to have you.

STATEMENT OF MR. ROBERT LAWSON, NATIONAL ASSOCIATION OF HOME BUILDERS

Mr. **Lawson**. Thank you, and I am pleased to be here, Madam Chairwoman. Joining me today are Pat Economos, one of NAHB's Legislative Aides, and Bob Corletta, our Director of Multi-Family Housing for NAHB.

I am a home builder from Norfolk, Virginia. A member of NAHB's Board of Directors, its Mortgage Finance Committee, its Military Housing Advisory Group, and an ex-Navy pilot with service in Vietnam. I have been involved in the home building business since 1966, and have constructed over 12,000 family housing units.

The last time we came before this subcommittee, we testified in favor of extending the Section 801 and 802 Family Housing Programs. We have been particularly pleased with the Section 801, Build to Lease Pilot Program, which has given DOD the authority to lease 16,000 units nationwide. In fiscal year 1990, an additional 3,500 units are requested, and we urge you, not only to extend the Section 801 program, but to allow for these additional units, as well.

According to a recent DOD report, Section 801 is the best choice now available to provide rapid housing acquisition where requirements are compelling and resources are extremely limited. This is the case with providing military family housing today.

We would also like to voice our support for the Capehart Revitalization Act of 1989. We have met several times with the Air Force on this proposal and hope that Congress will take the initiative in passing the Act. The purpose of the legislation is to repair and modernize the almost 200,000 housing units needing refurbishment over the next 10 years. Annual military construction programs alone cannot deal with the tens of thousands of units that require upgrading. This modernization would bring units up to today's standards, and it could also provide for constructing new units to meet additional family housing requirements. While a variety of financing mechanisms have been explored, none have been proven as efficient or as economical as the Capehart Program. The public-private partnership philosophy in that program is an effective way of meeting the urgent need, both for revitalization and new construction.

Under the Capehart Revitalization Act, builders would receive a lease on Government land and a construction contract. This agreement would be a special purpose lease with the Shell Corporation, that is sponsored by the appropriate Military Service. When the houses are complete, the Corporation is taken over by the service; and therefore, the service then owns and operates the houses. The legislation would also authorize the Government National Mortgage Association [GNMA] to guarantee the mortgages, thereby, creating a second market in those mortgages.

The proposed legislation would also authorize DOD to contract with a "master developer" who would become the contractor for a number of projects on a regional or national basis. Preference would be given to bidders who primarily do business in the project's location.

While no dollar amount is provided for per unit cost in the legislation, the mortgage amount will be controlled by the number of units Congress authorizes. The maximum interest rate on these mortgages shall not exceed the rate paid on GNMA mortgages, or be the best rate obtainable in the financial markets. This allows flexibility in the law.

The budget scoring for the Capehart Program is the most crucial element in ensuring its success. If the Caphart program is revived, it is important that it be scored for budget purposes in the year the debt service, i.e., the principal and interest, are actually paid. If the entire cost of the program is required to be paid for initially, it would be no different than budgeting the money for the military construction housing, thus defeating the purpose of the program.

The Association is willing to work with you and the Congressional Budget Office to try to develop language which would allow this capital expenditure to be budgeted annually as the costs are incurred on an installment basis.

Congress asked the Department of Defense to look into the installment purchase of housing, and the revised Capehart Act could meet this requirement. It is certainly very important that adequate housing be provided for our Military Service personnel, in light of the volunteer status of our Armed Forces. Our Government should make every effort to provide suitable housing to maintain a greater number of skilled men and women in the services. In this regard, we urge you to support the Capehart Revitalization Act of 1989 and to extend the Section 801 pilot program with additional units.

That concludes my brief summarization, and I would be pleased to respond to any questions.

Prepared Statement of Robert Lawson

STATEMENT OF
THE NATIONAL ASSOCIATION OF HOME BUILDERS
before the
COMMITTEE ON ARMED SERVICES
SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES
U.S. HOUSE OF REPRESENTATIVES
on
MILITARY FAMILY HOUSING

March 20, 1989

Madam Chairman and Members of the Subcommittee:

My name is Robert Lawson and I am a homebuilder from Norfolk, Virginia. I am testifying on behalf of the more than 155,000 members of the National Association of Home Builders (NAHB). NAHB is a trade association of the nation's homebuilding industry. I am a member of NAHB's Board of Directors, Mortgage Finance Committee and Military Housing Advisory Group. I have been involved in the homebuilding business since 1965 and have constructed 12,500 family housing units.

Madam Chairman, it is a privilege to appear before you. Before proceeding with my statement, I would like to welcome you as you assume leadership as the new Chairman of the Subcommittee. The last time we came before the Subcommittee we testified in favor of extending the Section 801 and 802 family housing programs provided by the 98th Congress in the FY '84 Military Construction Authorization Act. We urge this Subcommittee to extend again the Section 801 program beyond its FY '89 expiration date and allow each service to construct additional housing units. While the pilot status for Section 802 does not expire until the end of FY '90, we view both these programs as an innovative means of providing military family housing for our servicemen and women who have so ably served our country.

We also would like to voice our support for the Capehart Revitalization Act of 1989. We have met several times with the Air Force on this proposal and hope that Congress will take the initiative in passing this Act. In the FY '89 Defense Authorization Act, Congress asked the Department of Defense (DOD) to include a pilot program for the installment purchase of family housing units. It is our understanding, however, that due to budgetary concerns this proposal was not included in the DOD budget and is not expected to be in the Administration's FY '90 DOD authorization request. This does not mean, however, that Congress cannot again take the initiative and pass this legislation.

MILITARY FAMILY HOUSING NEEDS

Today, we have an all volunteer military force that is dependent on the willingness of young men and women to enter the armed services and to make military service a career. It is incumbent on the Department of Defense to provide housing for the families of these young men and women so that they will stay in the armed services. Of the over two million men and women in the service, about half are married. While a basic allowance for quarters (BAQ) and a variable housing allowance (VHA) is provided for our military personnel to find housing in the community, the DOD often must make provision for additional housing. Alleviating housing shortages in a particular area or finding affordable housing are concerns that must be addressed by DOD in its housing program. Housing is often the prime concern of our military personnel and must be provided if we are to maintain qualified men and women in the services. The Department of Defense has testified that the quality of life and family programs, including housing, can affect our country's degree of readiness.

A number of factors have increased the number of family housing units needed for our military personnel, including the increasing cost of rental housing in many markets where bases are located and the amount of inadequate housing stock that exists on military bases today.

To help in meeting the military family housing shortage, NAHB created a Military Housing Advisory Group and our NAHB National Research Center organized a Military Family Housing Program Office. The Center has produced a guide on rehabilitation that was adopted by DOD. In addition, it has produced cost comparison studies.

Our Military Housing Advisory Group continues to meet with the Air Force. One of the solutions we agreed upon to alleviate the military family housing shortage was to revive the 1955 Capehart legislation and to amend it to include revitalization of older units.

CAPEHART REVITALIZATION ACT OF 1989

The original Capehart housing program, introduced by Senator Homer Capehart of Indiana, was enacted in 1955. Title IV of the Housing Amendments of 1955 (P.L. 84-345) added a new title VIII to the National Housing Act to provide a FHA mortgage insurance program for military personnel. The Capehart Revitalization Act of 1989 amends the original Capehart legislation. Between 1956 and 1963, the Capehart program produced over 100,000 family housing units. This constitutes 27 percent of the military family housing existing across the country today. The purpose of legislation to revive the Capehart Act is to provide a framework to repair, refurbish and modernize existing family housing projects. This "whole house improvement" concept would allow for replacing the tens of thousands of units that either cannot be rehabilitated economically or need modernization to meet today's size and density standards. It would include the addition of family rooms, extra bathrooms and larger bedrooms. It also provides for constructing new units to meet additional family housing requirements.

While a variety of financing mechanisms have been explored, none has been proven as efficient or economical as the Capehart program. Annual military construction programs alone cannot deal with the 197,000 houses requiring refurbishment over the next ten years. The public-private partnership philosophy is an effective way of meeting the urgent need both for revitalization and for new construction.

Capehart Program Provisions

Under the Capehart Revitalization Act of 1989, builders would receive a lease of government land and a construction contract. The lease agreement would be with a special purpose shell corporation that is sponsored by the appropriate military service. When the houses are complete, the builder would place an FHA-insured mortgage on them, repay his construction loan and take any profit from the mortgage proceeds. The corporation simultaneously would be transferred to a military department. In order for DOD to become the owner of the property, the law gives the Secretary of Defense authority to acquire capital stock in the mortgagor corporation and to guarantee the payment of the corporation's notes. The houses, thus, become government-owned family housing subject to a mortgage. The legislation should authorize the Government National Mortgage Association (GNMA) to guarantee mortgages, thereby, creating a secondary market.

The proposed legislation would also authorize the DOD to contract with a "master developer" who would become the contractor for a number of projects on a regional or national basis. He could use his own workers or subcontract for design and construction. Preference must be given to bidders who primarily do business in the project's location. The master developer is to be selected in a competitive negotiation selection process with a contract for up to five years.

While no dollar amount is provided for per unit cost in the legislation, the mortgage amount will be controlled by the number of units Congress authorizes. The maximum interest rate on these mortgages shall not exceed the rate paid on GNMA mortgages or be the best rate attainable in the financial markets. This allows flexibility in the law. The old Capehart Act had a per unit cost of $19,500 and an interest rate of 4.5 percent, which is unrealistic in today's economy. It is best to let market factors determine these costs and not have fixed rates in the law, which will require continual updating.

Capehart Budget Scoring

The budget scoring for the Capehart Program is the most crucial element in ensuring its success. If the Capehart program is revived, it is important that it be scored for budget purposes in the year the debt service (principal and interest) is paid. If the entire cost of the program is required to be paid for initially, it would be no different than budgeting the money for military construction housing, thus defeating the purpose of the program. We are willing to work with you and the Congressional Budget Office to try to develop language which would allow this capital expenditure to be budgeted annually as costs are incurred on an installment basis.

NAHB Suggested Changes to 1989 Capehart Draft

Madam Chairman, I have attached to our testimony, a copy of a letter NAHB's President wrote to the Air Force concerning the proposed revisions to the 1989 Capehart Act. (Attachment A)

Our overall assessment of the program is very positive and we urge that Congress implement it as soon as possible. Both our

Military Family Housing Advisory Group and our National Research Center have concerns, however, on Section 408, concerning claims dealing with the site.

This provision states that the government is not liable for conditions of the site other than removal of hazardous wastes and asbestos. Remedying site conditions is the sole responsibility of the contractor. This provision must be changed. In a program being established to provide substantial renovation of units, the government's attempt to exclude itself from liability for any condition with respect to the site including subsurface, environmental, or regulatory conditions is far beyond reasonableness. A builder would not take on such responsibilities without adding to his contract price a substantial contingency cost to protect himself. This is not cost efficient for the government because each builder will have to price to insure an individual project rather than taking into account the cumulative effect on all projects. In addition, the investigation required to substantially limit that risk will add significantly to the cost of bidding on these projects. This combination will preclude most of our membership from bidding on the projects.

DOD should have adequate site testing done at its expense. Another possible solution is to provide cost recovery for the contractor.

Sections 801 and 802

Madam Chairman, both the Section 801 military housing leasing program and the Section 802 rental guarantee program are private sector initiatives created by Congress for the construction of new housing.

We have been particularly pleased with the Section 801 pilot program, which has given the DOD the authority to lease 16,000 units nationwide. In FY '90 an additional 3,500 units are requested and we urge you, not only to extend the Section 801 program, but to allow for these additional units as well. According to a recent DOD report on alternate methods of providing housing, "Section 801 is the best choice now available to provide rapid housing acquisition when requirements are compelling and resources are extremely limited." This is the case with providing military family housing today. While we are pleased that the lease payments under Section 801 are spread out over 20 years, we have expressed concern that they are "subject to the annual availability of congressional appropriation." This adds to the interest costs of the program, as well as builder concern that the lease payments under their contracts will not be met.

While no units have been completed under the Section 802 program, it may have the potential to be used for rehabilitation. The Section 802 program relies on a serviceman's basic allowance for quarters (BAQ) and his variable housing allowance (VHA) to cover the amortization of construction costs. This has not been nearly enough to make a project feasible even in the inland states where both land and construction costs are lower. Estimates are that it costs a serviceman 22% out-of-pocket above his BAQ and VHA to afford housing.

Since rehabilitation is needed on family housing units and since it is generally less expensive than new construction, a rehabilitation program under Section 802 might work. Legislation has already passed Congress allowing for rehabilitation under both Sections 801 and 802.

We urge you again to extend Section 801 and to provide for the additional construction of new units. The problem areas in this program have been resolved and it is running smoothly. It must and should be continued. While Section 802 does not expire until the end of FY '90, it may work for upgrading existing projects. It is also possible that it could work in a high cost area if the government provides the land.

Section 2667 Housing

Real estate leasing authority (U.S.C. 2667) also is used to encourage private sector financing of military housing. Government owned land is leased for a privately-owned housing project at minimal or no cost. The service member receives the right of first occupancy. The government retains some control over the quality of construction, maintenance and rents. It is also dependent on a serviceman's allowance for quarters. A possible use of U.S.C. 2667 is the Soldiers' Housing and Retirement Equity program called SHARE, which is also being considered at DOD. SHARE is a self-producing military family housing program which is designed to allow active service members to purchase privately financed cooperative housing units located on military installations. It includes both new and rehabilitated housing. We are currently analyzing the SHARE program and would be pleased to forward our comments once this analysis is complete.

DAVIS BACON

Davis Bacon provisions, which require contractors to pay the prevailing wage rate on government constructed housing projects over $2,000 need to be changed. This is a prime example of government over-regulation which is a major contributing factor in increased housing costs. We urge you to support legislation to exempt housing from the Davis Bacon wage requirements that would result in more affordable housing for our military personnel. The $2,000 dollar threshold for coverage has not been changed in over 50 years. Alternatively, we support legislation that would increase the threshold of federal construction contracts covered by the Davis Bacon Act from $2,000 to $1 million.

CONCLUSION

All of the programs we have mentioned today are private-sector alternatives to providing family housing for the military. Each can be useful in meeting the overall housing requirements of our armed services personnel. Congress should make the necessary changes to make them work.

We would like to commend Congress and the Department of Defense for the steps taken towards providing these private sector initiatives. In this regard, we urge you to support the Capehart Revitalization Act of 1989 and to extend the Section 801 pilot program with additional units.

Not only will these programs assist in alleviating the existing housing shortages for our military personnel, but they will have a ripple effect throughout the economy from the production of new housing. The ripple effect of new construction and rehabilitation of housing includes the additional tax revenues gained by the local community and the state and federal government. It also creates jobs, spurs other related industries and has a positive effect throughout the entire economy.

It is very important that adequate housing be provided our service personnel in light of the volunteer status of our armed forces. Our government should make every effort to provide suitable housing to maintain a greater number of skilled men and women in the services.

This concludes my statement. I would be pleased to respond to your questions.

(ATTACHMENT A)

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Shirley McVay Wiseman
President-Elect

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January 10, 1989

Mr. James F. Boatright
Deputy Assistant Secretary of
the Air Force for Installations
Department of the Air Force
The Pentagon
Washington, D.C. 20330-1000

Dear Mr. Boatright:

As a member of the Military Housing Advisory Group, I am enclosing the comments of the National Association of Home Builders on the draft legislation you sent to us concerning the "Capehart Revitalization Act of 1989." It has been a pleasure working with the Air Force over the past three years on this project and we hope that our joint efforts will be successful in providing additional housing for our military personnel. This legislation could be the start of a long and successful road to provide both new and rehabilitated housing for the armed services. We agree with the Department of Defense that private sector participation is important to provide this housing.

While our overall assessment of the Capehart Revitalization Act of 1989 is positive, the largest overriding concern both for our Military Family Housing Advisory Group and the NAHB Research Center is Section 408 on claims dealing with the site.

Section 408 states that development contracts shall provide that the government is not liable for any condition with respect to the site including subsurface, environmental or regulatory conditions, except for removal of hazardous waste and asbestos. Remedy of site conditions shall be the sole responsibility of the contractor and no change in contract price shall be allowed on account of any unforeseen or changed site conditions.

NAHB feels that contractor responsibility for remedying site problems without adequate knowledge is unreasonable. Additionally, prospective bidders should not have to incur the cost of site testing when they do not know whether they will be awarded a development contract. Problems with soil bearing capacity, soil contaminants that may be toxic but not necessarily hazardous, drainage and water table problems could all affect project economics if the builder has to remedy them.

DoD should have adequate testing of sites done at its expense and a "soil and environmental conditions" report should be part of the RFP package. In this way, builders can factor site costs into their bids. It should also be made clear that the concealed conditions of existing structures not be included as a part of site conditions. In the absence of such information at the proposal stage, builders are likely to either not respond or add substantial "cushions" to their bid price to cover unforeseen problems.

Another possible solution would be to change the wording to provide cost recovery for the contractor under two circumstances.

1) Unforeseen site conditions provided that the contractor has exercised due diligence in attempting to identify special site conditions, and

2) Changes in site conditions that occur following pre-bid site inspection by the contractor.

Without change, it definitely would preclude most of our membership from bidding on projects. I have attached a sectional analysis of this and other concerns on the Capehart Revitalization Act of 1989 for your reference.

We would also like to point out that in the past builders have not been attracted to bidding on military housing projects because of the high cost of preparing the response to the RFP. NAHB members who have bid on government projects have reported RFP costs of bidding as high as $60,000 to $80,000, which is prohibitive for smaller builders. We anticipate that this cost will be substantially reduced or eliminated under a "master contractor" approach and that the Capehart Act will encourage increased participation for smaller builders.

On the whole NAHB is pleased with the Capehart Revitalization Act of 1989 and hopes that it will be presented to Congress in a timely manner. It is important to continue our mutual goal of adequately housing our military personnel.

Sincerely,

Shirley McVay Wiseman

Shirley McVay Wiseman
President-Elect

NAHB SUGGESTED CHANGES TO THE CAPEHART REVITALIZATION ACT OF 1989

The following comments on the Capehart Revitalization Act are referenced from the document entitled "Department of the Air Force Military Family Housing FY 1990 Budget Request," beginning on page 24.

Page 25, Section 801 (a)

This provision states that the lease term is forty years. Since the mortgage term together with the construction period could exceed forty years, HUD may be reluctant to participate in the program. Therefore, the DoD may want to extend the lease term. We recognize, however, that it would depend on the term of financing DoD decides to use. It would have little or no affect on the builder.

Page 26, Section 803 (b) (2)

The seventh line of the paragraph states that the Secretary shall have determined that adequate housing is not available for such personnel at reasonable rentals within reasonable commuting distances of the installation. We would suggest for clarification purposes that the language be changed to include reasonable rentals or sales prices.

Page 27, Section 803 (b) (3)

This provision effectively allows DoD to recover the fair market value of the land and improvements of the existing, proposed rehabilitation housing which would be included in the new mortgage loan. This increases the amount of credit needed to finance the project. While use of this credit is appropriate for new construction on nongovernment owned land, it could affect overall credit availability to the housing market and specifically the FHA program. We recommend that for rehabilitation projects, the maximum loan amount should be limited to the construction cost (hard and soft) of rehabilitation only.

Page 27, Section 803 (b) (4)

This provision states that the interest rate on projects cannot exceed what GNMA pays on comparable properties. GNMA does not now purchase mortgages, but guarantees the timely payment of securities backed by mortgages. Fixing the rate in this manner may not be functional. It is more appropriate to tie the interest rate to GNMA and FHA market rates for similar properties.

Page 27, Section 803 (c)

This section sets the premium charge for the insurance of mortgages. There is little risk on these mortgages and the mortgage insurance premium would seem to be logically reduced.

It is difficult, however, to see how we can support the contention that amounts paid after 1955 are in fact credited to DoD. This is not in the best interest of HUD's general insurance fund and therefore would not be in the best interest of the construction industry.

There also does not seem to be a distinction in the legislation between the mortgage insurance premium and processing costs which are charged as separate items for private market insured projects. It needs to be clarified whether builders will have to pay regular processing fees or if all of these fees are being waived. Our interest is to keep the HUD insurance fund sound. Fees should be based on acceptable practices in the market and not discounted unless there are justifiable exceptions.

Page 29, Section 805 (a)

This provision refers to the lease of land only. If improvements are also meant to be part of the lease, the language should be changed to include improvements as well as land.

Page 30, Section 4 (f)

This paragraph mandates that GNMA purchase the mortgages under this program. Currently, GNMA is not directly purchasing mortgages.

Page 31, Section 403 (a)

This provision states that the contractor provide performance and payment bonds. As the HUD programs have established, the contractor should be allowed to post a letter of credit.

Page 32, Section 403 (d) (1) and (d) (2)

These two provisions reduce the security of the builder in his dealings with the government in that the government is given the unilateral right to take over the ownership of all the property by having the stock in the ownership corporation placed in escrow. It also requires the prompt delivery of the stock to the Secretary of Defense upon a determination that the contract is in default by the contracting officer who is an employee of the Secretary of Defense. Reasonable provision needs to be made to protect the builder or contractor against this kind of unilateral decision making power. Provisions should be made for a joint selection of a disinterested third party. Remedies available to the contractor through the courts are extremely expensive, time consuming and credit consuming for the builder. This could occur while substantial retainage is outstanding under the builder's contract.

Page 34, Section 408 (a) (Claims)

This provision states that the government is not liable for conditions of the site other than removal of hazardous wastes and asbestos. Remedying site conditions are the sole responsibility of the contractor. This provision must be changed. In a program being established to provide substantial renovation of units, the government's attempt to exclude itself from liability for any condition with respect to the site including subsurface, environmental, or regulatory conditions is far beyond reasonableness. A builder would not take on such responsibilities without adding to his contract price a substantial contingency cost to protect himself. This is not cost productive for the government since each builder will have to price to insure an individual project as opposed to the accumulative effect on projects all across the country. In addition, the investigation required to substantially limit that risk will add significantly to the cost of bidding on these projects. This combination will preclude most of our membership from bidding on the projects.

DoD should have adequate testing of sites done at its expense. Another possible solution is to provide cost recovery for the contractor. (See cover letter)

Page 34, Section 408 (b)

This provision sets up procedures when disagreement on price changes and contract claims occur at settlement. If there is disagreement it allows the contracting officer to determine that settlement should take place and allows the DoD to set up an escrow account equal to the government's estimate of the "fair and reasonable" price of the claim. The contractor may recover the escrowed amount by releasing the claim or may sue the government. The claims procedure is again one sided and unilateral. Provisions should be made for a joint selection of a disinterested third party. The services of a registered professional architect should be involved in the first stage of the claim settlement as occurs normally in the construction industry.

Page 44, Section 404

Section 404 provided for the purchase of Wherry Housing projects. It is being repealed in Section 6 because as far as it is known by DoD it has been fully executed. There is at least one and perhaps other projects built under the Wherry Housing provisions of the National Housing Act which have not been purchased and therefore that provision should remain.

Mrs. Schroeder. Well, we thank you very much, and we know your brevity does not show your lack of interest. We know you are just saving the committee from a long enduring morning. But, let me ask you a question. Does it concern you at all that the military family housing budget requests for construction almost disappeared, and that we seem to be relying more and more on these lease programs, long-term lease programs?

Mr. Lawson. They, obviously, would both have a place. While we see many problems even in the 802 Program, we see that there might be a place that it can provide some housing. We would like to see more emphasis on housing overall, with a variety of tools that could be used by the military to meet those housing needs. Again, the tools where—the Members of our Association could meet them in areas themselves in the private market. But, we obviously know that that is a bit too ideal for the real world that is out there.

Mrs. Schroeder. Well, now, counsel tells me, we really have not funded anything under 802.

Mr. Lawson. I think there have been a number of proposals taken, and I think the program has a lot of weaknesses in that there is a stated maximum rental limit in that program that in most areas of the country makes it unworkable. There may be a few areas in the deep Southeast where it could be workable.

Mrs. Schroeder. So, if it is not working, why should we extend it?

Mr. Lawson. I think there are areas of rehab where it might work. Certainly, the early times of 801 were difficult, and the program has come into its own as it has been modified and worked with. The 802 might have that same potential. Certainly, we see it as nowhere near as important a program as the 801 program.

Mrs. Schroeder. We have also heard from complaints that as the lease ends, gets toward the end, it gets much harder to get maintenance done.

Mr. Lawson. In the 801 program?

Mrs. Schroeder. Yes.

Mr. Lawson. As an owner of a number——

Mrs. Schroeder. There has been a lot of complaints from leasers.

Mr. Lawson. Of apartment units, I would tend to think it would be the reverse. One, I think anybody that proposes—and I have been a proposer, though not a winning one on certain 801 programs—is basing their proposal on the fact that there will be a residual value at the end of the lease term. Therefore, the owner has a direct interest to preserve that residual value by increasing, and do a very adequate job of the maintenance. Typically, around a 25-year period, housing in the 20-25 year period requires some fairly extensive maintenance at that point in time. By keeping up with it, the effects of that would be mitigated. So, I really would not expect that to be a problem with the program.

Mrs. Schroeder. Well, unfortunately, we often hear the opposite because they figure it is toward the end. Congressman Martin.

Mr. Martin. If I understand your request, and to my knowledge, we have had no programs go on to fruition in the 802 Section, although they were enacted the same minute. They were both sections of the same Act. Do I understand your suggestion to be that we renew it on the chance that somewhere down the line it might put another club in our golf bag if the situation in a given area is such that there can be a guarantee of rents under the cap of the law?

Mr. LAWSON. That is right. A very limited used club in that golf bag, I am sure. But, it is my understanding, I think, that that program continues normally through fiscal year 1990.

Mr. MARTIN. Let me ask just one other question about the Capehart Revitalization Act. We have thousands and thousands of units, and not unlike the 801, most of those are 25-30 years old. You reach a situation that if you do not make substantial repairs now, the next step is going to have to be to raise those facilities and start all over again. Is there an argument within this Revitalization Act that this Act like the Section 801 housing can be done a lot quicker than under the normal O&M budgets as authorized by Congress or the stick-built military construction housing to replace Capehart once they have to be raised? Is that the argument?

Mr. LAWSON. It certainly is a portion of the argument in that the master contractor would have the ability to respond quickly. There really is the issue of here's housing that was acquired through a mortgage financed vehicle initially. With such a massive amount of it reaching that age of needing rehabilitation, and really becoming obsolete, housing styles have changed, and people's desires in housing—and certainly, the services desire better housing for their people, the combining of those two. One, it could be done quickly, and two, it could provide a vehicle to finance it differently in tight times.

Mr. MARTIN. If there is one winning aspect of that 801 housing, I mean, once you go to contract, it is in the best interest of the contractor to get those built immediately. They literally grow out of the ground. It is fine housing. I witnessed entire villages, coming up in the course of 2 or 3 months, and have the facilities available on time, and at a guaranteed price.

Mr. LAWSON. That is why I think, really—I am here as a representative of our industry, that we can do it, and we feel the Capehart Program can provide a similar incentive to the industry to do so, and handle what is a difficult problem now, and one that has potential to grow majorly more difficult in the years ahead, as these units go beyond 20 and 25 years of age.

Mr. MARTIN. I thank you very much.

Mr. LAWSON. Thank you very much.

Mrs. SCHROEDER. Well, we thank all of you, too, for being so patient and coming forward. We will stay in touch because we really appreciate your help, and your trying to keep us abreast of how this is all working. Thank you very much.

Mr. LAWSON. Thank you.

Mrs. SCHROEDER. With that, I think we have worn everybody out. Congressman Martin, what do you think? Let's adjourn for today. Thank you.

[Whereupon, at 1:35 p.m., the committee adjourned, subject to the call of the Chair.]

On behalf of the more than 115,000 members from each of the uniformed services, I appreciate the opportunity to address this committee to present the Association's concerns relating to military construction for the Reserve Components for Fiscal Year 1990.

The Reserve Officers Association expresses its gratitude to this committee for its continuing support of the Guard and Reserve. Without its generous consideration, the readiness of the Reserve Components would be greatly reduced.

The Congress has repeatedly instructed the Department of Defense to designate at least ten percent of the total military construction request for the Guard and Reserve facilities. Under pressure to make budget reductions, the DoD has reduced its military construction request for the Reserve components to amounts well below the ten percent goal. The add-ons provided by the congress have been responsible for desperately needed facility improvements.

Since the early 1970's, this nation's defense forces have experienced significant shift of missions and force structure from the active to the Reserve Components. Given the initiatives by Soviet President, Mikhail Gorbachev to reduce conventional forces in Europe, the changing perception that the world is safer, the thrust to reduce US forces in Europe and elsewhere in the world and finally the pressure to shrink the national debt by cuts in the defense budget, the calls to shift even more missions and force structure from the active to the Reserve Components have increased.

ROA would remind this committee that unless transfers of force structure to the Guard and Reserve are followed by the provision of resources, combat readiness will necessarily be degraded. Savings can be realized by placing force structure in the Reserve Components. If, having served as the vehicle for attaining a cheaper force structure, subsequent budget cuts are applied equally to military construction for the Reserve and the active forces, combat capability and readiness suffer drastically. This "double dipping" must be recognized for what it is.

The emphasis in recent years has necessarily been on new facilities to accomodate new and expanded missions. Meanwhile, inadequate facilities have continued to deteriorate. The backlog of construction projects in support of ongoing missions have grown disproportionately. Unless the backlog of deferred military construction projects is attacked aggressively, the Reserve Components cannot meet their total force commitments.

ARMY RESERVE

The Military Construction, Army Reserve (MCAR) Appropriation has negative growth in FY90 and FY91. As a result of DOD decrements, the USAR construction backlog will grow to $2.1 billion by the end of FY94.

Backlog is the result of unfunded facilities requirements generated over more than a decade of changes of force structure, procurement of new equipment, training initiatives, and shifts of population migration patterns.

The impacts of the large MCAR decrements are sobering. Major consequences and the results of these decrements are:

Revitalization of existing facilities physical plants will continue to suffer as high-priority, new initiatives make a first claim on dollars provided. There are presently 480 USAR facilities rated inadequate. Of these, 206 must be completely rehabilitated and converted to ensure training and readiness goals; 164 require outright replacement because of deteriorated physical conditions, and 110 require major alterations and/or additions to relieve overcrowding and make them functionally adequate. Although difficult to quantify, studies show that the quality of the facilities is related directly to the retention, morale, training level, and readiness of quality soldiers.

In addition, because Army Reserve centers are highly visible in hundreds of local communities on "Main Street, USA," they stand either as proud symbols of the nation's military resolve or as eyesores incongruent with community standards, and thus fail to demonstrate the Army's commitment to national defense. Unfortunately, too many existing facilities, by their very appearance and condition, send the wrong message to community leaders and citizens and discourage employer support of Reserve soldiers.

MCAR decrements also mean that costly leases will be extended and permanent construction deferred until resource outlook improves. Leases on temporary facilities are increasingly costly and are leading to outyear shortfalls in the OMAR account, which is already strained, since OMAR funding is used to retain and renew leases. Furthermore, as permanent construction is delayed, leased facilities become increasingly inadequate as the size of the assigned unit grows and missions are expanded and modified. Most leased facilities, because of their temporary use, are not configured to unit requirements, and in some cases are marginally useful. In numerous cases, they are acquired as a supplement at locations that are sometimes at great distances from existing constructed facilities. In the final analysis, recruitment, morale, and retention are eroded.

Together, these impacts from MCAR decrements adversely affect training, retention, readiness and the US Army Reserve's combat service/combat service support contribution to the Army's conventional warfighting capabilities.

AIR FORCE RESERVE

We are proud that the Air Force Reserve (AFR) is combat ready and supplied with modern equipment and well-trained, motivated personnel. The military construction program that has been requested is necessary to support that high state of combat readiness and new state-of-the-art equipment.

End strength has continued to grow in the past year; FY88 saw 82,116 personnel assigned to the AFR Selected Reserve. This is nearly double the end strength in 1973. These personnel are the backbone of the AFR's remarkable combat readiness. Providing them with state-of-the-art training programs is essential to meet increases in future readiness goals without adding to the Reservists' already heavy participation requirements. Self-paced program instruction, part-task trainers, multi-media learning programs, and computer simulation are all included in these programs. We ask the Congress to continue the generous support provided for past training requirements.

ROA is concerned that budget constraints have resulted in the Air Forces' proposing to "double-dip" the Air Force Reserve in its zeal to meet the FY90 spending limits. Significant savings are made when force structure is transferred to the Reserve components; we ask that these savings not be "double-dipped" by applying across-the-board cuts to the AFR military construction program.

For example, the AFR's FY90 request is 35% lower than in FY89. While some of this decrease is due to a decrease in new mission requirements, the Air Force established a ceiling that leaves many current construction requirements unfunded. We request that the Committee consider the following projects for add-on funding:

BASE	PROJECT	COST
Youngstown	Shortfield Landing Zone	$5,200,000
Pope AFB	Civil Engineering Training	710,000
Selfridge ANGB	Add/Alter Fuel System Maint.	590,000
Wright Patterson AFB	Upgrade Hanger	3,706,000
Hickam AFB	Aerial Port Training Fac.	1,000,000
Keesler AFB	Medical Training/Admin.	580,000
Kelly AFB	Composite Training	1,400,000
Dobbins AFB	Readiness Addition 14AF	2,900,000
McConnell AFB	Civil Engineering Training	940,000
Great. Pittsburg IAP	Reserve Medical Training	1,900,000
McChord AFB	Medical Training/Admin.	390,000
	SUBTOTAL	19,316,000
	PLANNING & DESIGN	2,000,000
	TOTAL	$21,316,000

We have shared the AFR's concern that the emphasis in recent years has been on new facilities to accommodate new and expanded missions. Meanwhile some existing inadequate and deteriorating facilities have been retained. We cannot expect to retain the same high level of effectiveness in the future unless aging physical plants are modernized and/or replaced. At current funding levels, the AFR's plant renewal cycle is approximately 100 years. Clearly, this problem must be addressed and a more realistic program of renewal must be established and funded.

By the end of FY88 the backlog of deferred military construction projects was $696 million for the Air Force Reserve. Unless this backlog is vigorously attacked in the FY 1990 military construction funding, it will continue to rise to the detirement of operational capabilities. ROA urges the Committee to provide additional funds to reverse this trend in deferred, but necessary projects.

In summary, with your continued understanding and support, the Air Force Reserve will continue to provide a superb, cost effective, combat ready fighting force. Exercises and real world contingencies have proved that all AFR units can mobilize in 24 hours and deploy within 72 hours. The AFR is ready, better and stronger than ever before; we ask that you provide the resources to keep it that way.

NAVY AND MARINE CORPS RESERVE

As ROA repeatedly testified, many Navy and Marine Corps Reserve facilities need replacement. Most were constructed in the 1940's or early 1950's. More than 80 Reserve Centers (almost 40 percent) exceed 40 years of age and are either wooden frame or early forms of pre-engineered structures. In fact, the average age of all Navy & Marine Corps Reserve facilities is 39 years. Four of six Naval Air Stations were designed and constructed during World War II. The construction backlog of the Navy and Marine Corps Reserve has increased dramatically in the past ten years. It now exceeds one billion dollars, approximately 40 percent of the current $2.6 billion plant value of existing facilities.

Such old facilities are not only inefficient because they consume excessive Operations and Maintenance funds for maintenance, repair and for energy consumption; but their lack of modernity inhibits training, adversely affects retention by reducing pride and performance of individual Reservists, and has the cumulative impact of reducing mobilization readiness.

The President's Fiscal Year 1990 budget request for the Military Construction Naval Reserve (MCNR) appropriation is for only $50.9 million -- only four percent of the Navy's request for military construction (not including family housing.)

The level is $10 million less than Fiscal Year 1989. Obviously, funding at such a low level is counter productive to all the other efforts to improve the readiness and increase the proportion of our Nation's military capability that rests in the Reserve forces.

ROA supports approval of those projects included in the FY90 Budget Submission and strongly recommends approval of an additional $22.74 million which is unbudgeted but executable in Fiscal Year 1990. Only by approving a program higher than the level requested, can Congress hope to reverse the unsatisfactory trend of deteriorating facilities and ever increasing construction back-logs.

The $22.74 million addition recommended for Fiscal Year 1990 would result in a total of $73.64 million. A MCNR program of this size would be approximately the same as the Fiscal Year 1988 level, and only $12.74 million over the Fiscal Year 1989 level, not even enough to compensate for inflation over these two years.

The projects recommended (see the list below) includes $6.33 million for acquisition of three sites which are under short term lease/purchase agreements which will expire in the near future. The lease/purchase of existing buildings, most which were former schools, is a highly cost effective way to replace old and deteriorated facilities and should be encouraged by Congress. The remaining projects require new construction. All are beyond the 35 percent design status criterion required by Congress for inclusion in a budget request and will be ready for contract awarding in FY90.

Recommended additions to the Military Construction, Navy Reserve Appropriation FY 1990

LOCATION	PROJECT	COST($000)
Naval Air Reserve, San Diego, CA	Aircraft Parking Apron	3,560
Naval Air Reserve, Memphis, TN	Marine Corps-Logistics Support Facility	1,800
Navy/Marine Corps Reserve Center Greenbay, WI	Reserve Center Addition	600
Naval Air Station Glenview, IL	Runaway and Apron	3,750
Naval Reserve Center Kearny, NJ	Air Condition Reserve Center	800
Air Nat'l Guard Base Stewart, NY	Marine Corps-Corrosion Control Hangar	5,300
Naval Air Station New Orleans, LA	Training building Addition	600
Marine Corps Reserve Center Marietta, GA	Acquire existing Reserve Center	4,300
Marine Corps Reserve Center Montgomery, AL	Acquire existing Reserve Center	630
Marine Corps Reserve Center Fort Worth, TX	Acquire existing Reserve Center	1,400
	TOTAL	22,740

FAMILY HOUSING

House of Representatives,
Committee on Armed Services,
Military Installations and
Facilities Subcommittee,
Washington, DC, Wednesday, April 5, 1989.

The subcommittee met, pursuant to call, at 2:15 p.m., in room 2212, Rayburn House Office Building, Hon. Patricia Schroeder, (chairwoman of the subcommittee) presiding.

STATEMENT OF HON. PATRICIA SCHROEDER, A REPRESENTATIVE FROM COLORADO, CHAIRWOMAN, MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

Mrs. **Schroeder.** We apologize for getting started so late. I guess they wanted to find out who came back from spring break.

Anyway, thank you very much for being here this afternoon and we welcome you to the hearing on family housing. A lot of our concern—and I am just going to put my statement in the record—has been that we are seeing fewer and fewer family housing units being purchased. We are seeing more going on under Section 801, which many people don't like, but it seems to be the budgetary duck that we use to get around the budget.

We haven't heard anybody who really likes it, except for the people who are building that housing. We have been trying to see if there is any way to do Capehart-type housing, and as you know, in the continuing resolution of December 1987, they asked the Department of Defense to report on the feasibility of doing Capehart-type programming and they never filed that report.

I guess it was because DOD and OMB didn't agree on it, but our frustration is we see real housing that we purchased going down very drastically in the last 2 years. We know the need has gone up. The leased housing program, we don't see anybody happy with, and we can't get the report on the Capehart housing.

Other than that, we are perfectly happy.

Let me yield to our ranking member, Congressman Martin, from New York.

Prepared Statement of Hon. Patricia Schroeder

Welcome to this afternoon's hearing on family housing. I scheduled this hearing because I am displeased at what has happened to the family housing budget. Just last year (fiscal year 1988), Congress authorized the construction of nearly 4,500 new units of family housing, of which 3,500 were in the United States. The budget for next year (fiscal year 1990), however, seeks authorization for only 1,600 new units, of which only 600 are to be in the United States. New construction of sorely needed military family housing in the United States is vanishing.

Instead of building new housing, we are leasing it. Under the section 801 program, private developers build to DOD specs and rent the units to military personnel for 20 years. This program is attractive only because of the rules governing the Federal budget. By not taking title to the property, the cost of the property never counts as new budget authority. Instead, annual lease payments count. Obviously, such a long-term leasing program ends up costing the taxpayers more, because the taxpayer has to pay the carrying charges and profits of the developer and financier. Under section 801, we have built 5,300 housing units over the last 4 years, of which 4,300 are now occupied. The administration wants the program extended and expanded.

The result is that the family housing budget is increasingly going to pay lease costs. In fiscal year 1988, less than 10 percent of the family housing budget went to lease costs. By fiscal year 1991, nearly 19 percent of the budget is slated to go to lease costs. Conversely, 12.5 percent of the budget went for new construction in fiscal year 1988. Only 5 percent is slated for new construction in fiscal year 1990.

So, direct military construction of family housing is falling because the budgeters count the entire cost in the first year. Taxpayers are paying premium prices to lease housing from private developers. Isn't there a way to avoid the budget problem without getting ripped off? One possible solution is to reinvigorate the Capehart program under which housing is purchased on an installment basis. Indeed, the Continuing Resolution passed in December 1987 instructed the Department to study and report on the feasibility of reviving a Capehart-type program. I understand that no such report was filed because the Department and OMB could not agree on it. Frankly, a new Capehart program only makes sense if the budget authority for the construction is spread out with the installment payments, rather than treated as a first year authorization.

The bottom line is that we have a large family housing deficit, both in the United States and abroad. We must build housing. I don't think it makes sense to line the pockets of developers and financiers to build this housing just to win favorable budget treatment. If it makes sense to spread out the cost of this housing to hold down the deficit, we ought to reinvigorate Capehart. If it makes sense to build housing at the lowest long-term cost to the taxpayer, we ought to authorize the money to do so.

STATEMENT OF HON. DAVID O'B. MARTIN, A REPRESENTATIVE FROM NEW YORK, RANKING MINORITY MEMBER, MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

Mr. **Martin**. Briefly, and thank you very much.

It will be interesting to hear whether or not everyone is in disagreement with that 801 housing, but I know there are a lot of concerns as to what the project ought to look like down the line. I am looking forward to hearing your considered opinion on how that project is working as well.

Do I understand correctly that what we are talking about here today is the Reagan budget, the first one that was sent up here, and that we are still in the circumstance of not knowing exactly what the Bush/Cheney version of next week maybe is going to be? Is that correct?

Mr. **Boatright**. That is correct, sir.

Mr. **Martin**. OK. So I guess we continue to shoot at moving targets and we thank you all for coming back. We look forward to hearing your testimony.

Mrs. **Schroeder**. We will put everybody's statement in the record and I don't know how you want to proceed. I think we will have all the testimony before we do questions, if that is all right.

Should we start with General Offringa? Is that OK?

General **Offringa**. I would be more than happy to put the first moving target up there, Madam Chairwoman.

Mrs. **Schroeder**. All right, go for it.

STATEMENT OF MAJ. GEN. PETER J. OFFRINGA, ASSISTANT CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY

ARMY MILITARY CONSTRUCTION FISCAL YEAR 1990–1991 BUDGET

General **Offringa**. What I would like to do is just show a series of slides that will briefly show the family housing program for the Army for the 1990-91 budget.

[The following information was received for the record:]

Facilities Strategy

Maximize Use of Existing Facilities;
Maintain What We Own;
Meet Regulatory/Environmental Requirements;
Contain Maintenance and Repair Backlogs;
Revitalize Substandard Facilities; last choice: construct new facilities.

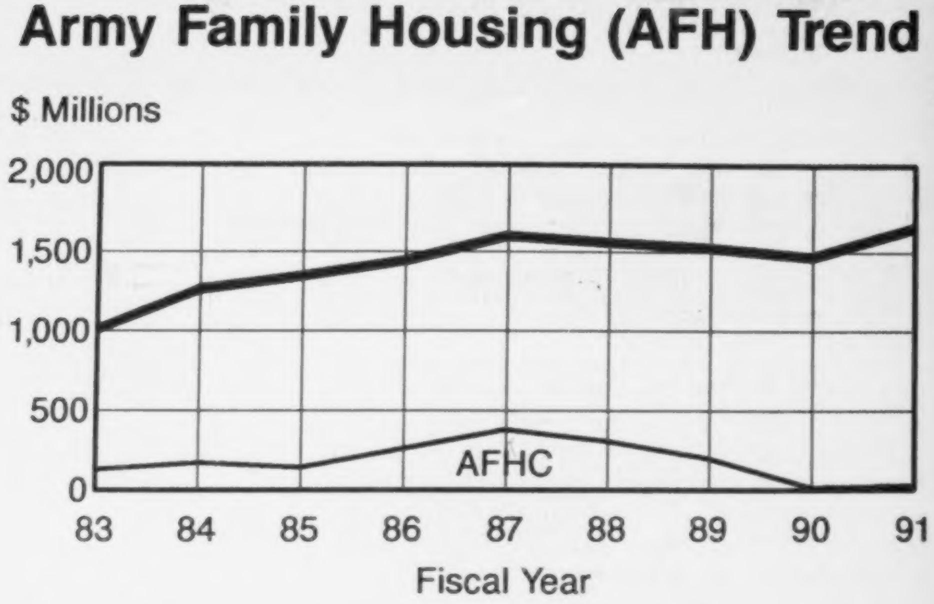
General **Offringa**. I will lead off with our strategy for family housing that we used to construct our program. Basically the strategy was to fund the cost of ownership, to take care of our deferred maintenance, improve our existing inventory and then eliminate as a last choice, our programmable deficit.

MILITARY CONSTRUCTION AUTHORIZATION OF APPROPRIATIONS SUMMARY

[In millions of dollars]

	Approved fiscal year 1989	Requested	
		Fiscal year 1990	Fiscal year 1991
MCA	969	892	1,183
AFH	1,527	1,469	1,654
HOA	2	5	5

General **Offringa**. The numbers for the 1990–91 program, shown in the second line, show that our program went down slightly in 1990, but becomes considerably more robust in 1991.



General OFFRINGA. If you look at that in terms of a long-term trend in constant dollars, it shows that we have an upward trend of our total obligational authority shown by the top line. Our attempts to follow our strategy and to continue to maintain the existing inventory have forced us to decrease our investments so that our family housing construction in 1990 and 1991 is considerably lower than it has been in previous years.

AFH REAL GROWTH

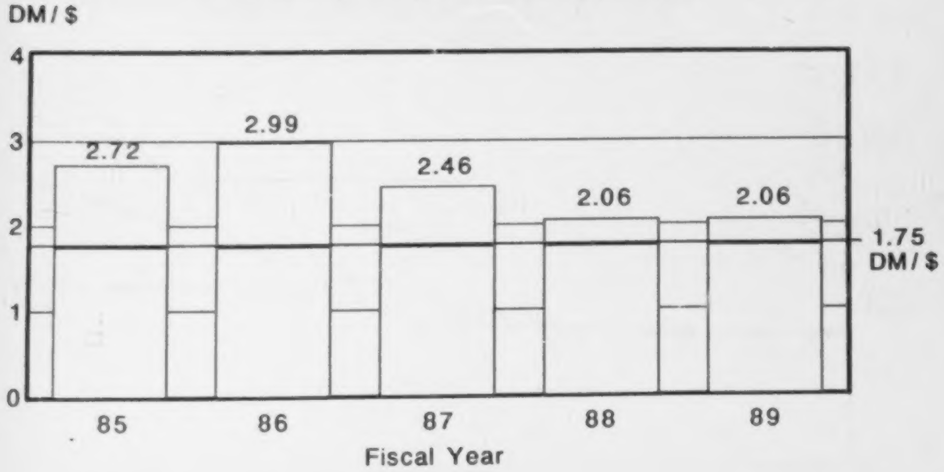
[In millions of dollars]

	Fiscal year 1988 Actual	Fiscal year 1989 Appropriation	Fiscal year 1990 Request	Fiscal year 1991 Request
Budget	1,614	1,528	1,469	1,655
Inflation cost		—84	—120	—184
Currency cost			—24	—28
Total (adjusted)	1,614	1,444	1,325	1,443
Real growth (percentage)	(1)	—11	—18	—11
(Compared to baseline)				

[1] Baseline.

General OFFRINGA. If we put that in real growth, which takes out the cost of inflation and the cost of foreign currency, it shows that the real growth, which is shown on the bottom line, compared to 1988 as a base year, is minus 18 percent for fiscal year 1990 and minus 11 percent for fiscal year 1991. So we are losing ground in the budget that we are submitting.

Foreign Currency Fluctuation
DM / $ Budget Rates



General OFFRINGA. Part of that problem is shown by the foreign currency impact. This chart shows the currencies at which we programmed by year. We are expending those at approximately 1.75 deutsche marks per dollar, and so, as we execute our program, we are having to compensate for the difference between the programming rates and the actual execution rate.

Of course, we are rooting for the deutsche mark and hope that it will continue at the 1.87, or thereabout, level that it is at now or go higher.

PROGRAM HIGHLIGHTS AFH

General OFFRINGA. The impact in terms of numbers shows for family housing construction and operations that we anticipate we will expend about $90 million trying to compensate for that currency problem.

AFH COMPARISON

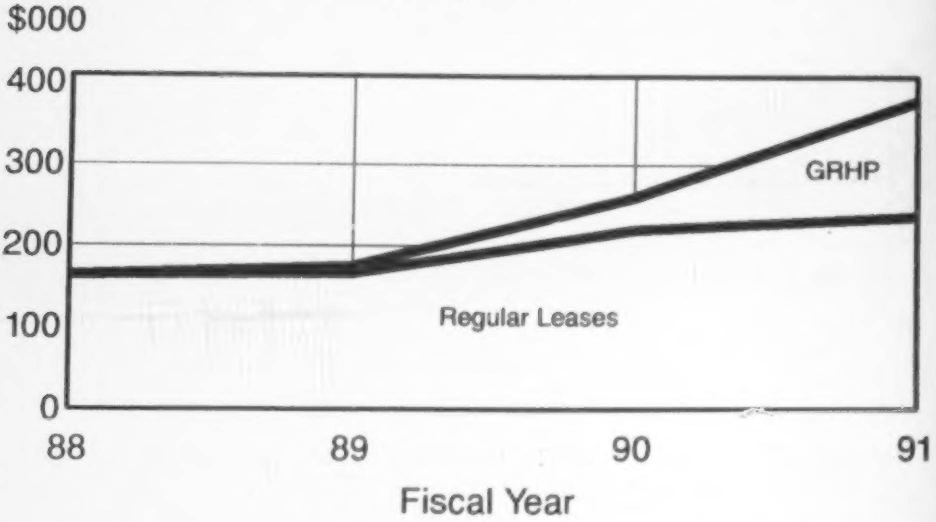
[In millions of dollars]

	1988 Actuals	1989 Program	1990 Request	1991 Request
Investment accounts	331.3	197.3	55.9	59.3
O&M accounts	1,279.3	1,329.9	1,412.7	1,594.9
Debt (interest and principle)	2.9	0.4	0.4	0.3
Total	1,613.5	1,527.6	1,469.0	1,654.5

General OFFRINGA. I would like to show you just a couple of highlights of the program. Again, this chart shows a breakout by investment accounts and operations accounts and fundamentally illustrates the decline in investment as we attempt to maintain our existing inventory.

Government Rental Housing Program (GRHP)

Foreign Leases



FISCAL YEAR 1989 CURRENCY SHORTFALLS

MCA net loss	$86M
AFHC net loss	$23M
AFHO net loss	$71M
Total	$180M

Includes: Prior years carryover; 6 month advance deposit; fiscal year 1989 MCA appropriation for FCFA ($43M).

General OFFRINGA. A lot of the growth in our operations and maintenance accounts are because of the Government renting housing program in Europe, a program that we are very excited about, to eliminate the deficit in Europe and to provide needed housing for our families overseas.

HOW GRHP WORKS

U.S. Leases Housing Directly from Landlord;
U.S. Pays All Lease Costs (Less Than Housing Allowances);
Soldier Forfeits Housing Allowances;
Soldier Stays on Economy Entire Tour;
Relieve Soldier's Out-of-Pocket Expenses.
Bottom Line: Improves Soldier Morale; Eliminates Relocation When On-Post Housing Becomes Available.

General OFFRINGA. This chart basically shows how the program works. This is a program in which the Government directly leases from the landlord, rather than the soldier. The U.S. pays the lease costs; the soldier forfeits his housing allowance.

As a result, the soldier stays on the economy the entire tour so that he doesn't have to move in the middle of his tour. This relieves not only the leasing expenses, but it also eliminates a really burdensome thing in Europe, the up-front costs. The normal procedure in Europe is 3 to 6 months' up-front rent, plus a security deposit. Costs normally run around $3000 out of pocket, at a time that the soldier is paying out other costs because of the move.

The bottom line is that this is primarily a program to improve the lot of the soldier and to make his life easier. However, our economic analysis shows that the program will not cost more than the cost of the housing allowance and we anticipate that it will save additional dollars because of the money we will save on the moves and the fact that we will not have to maintain as high a furniture inventory in Europe as we have had to before.

So we think this is a good soldier program. We think it makes good sense economically and we ask for your support for an increased number of leases in order that this program can go forward.

FAMILY HOUSING CONSTRUCTION—FISCAL YEAR 1990

Budget Highlights: Provides 150 New Units to Hawaii; Upgrades/Replaces 230 of 774 Remaining Substandard Quarters; Renews 306 Units; Air Conditions 1,221 Units; Modernizes Portions of 63 Units.

General **OFFRINGA**. I indicated that our construction program had been decreased considerably in order to provide maintenance for our existing units. We are attacking our biggest deficit area, which is Hawaii, by programming 150 new units there. We are maintaining and continuing our upgrade and renewal program and modernization of units.

Family Housing

Fort Campbell, Kentucky

"Before"

General Offringa. A couple of pictures of what happens when we do the right things to our houses. They can improve quite dramatically. This shows some old family housing at Fort Campbell.

Family Housing

Fort Campbell, Kentucky

"After"

110-44

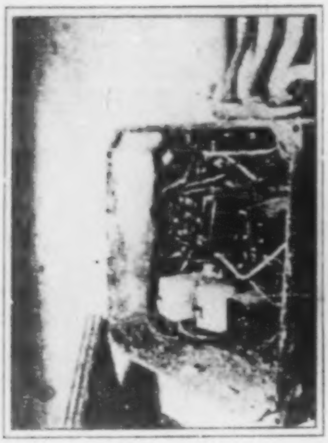
General OFFRINGA. This is what happens when we go in and do a renewal program. The interior looks as good as the exterior.

FAMILY HOUSING OPERATIONS—FISCAL YEAR 1990

Budget Highlights: Provides 85 Percent Cost of Ownership; Funds Full Leasing Program (Including 18,600 GRHP Leases); Funds Health/Safety Problems; Funds About Half of Needed Major M&R Projects.

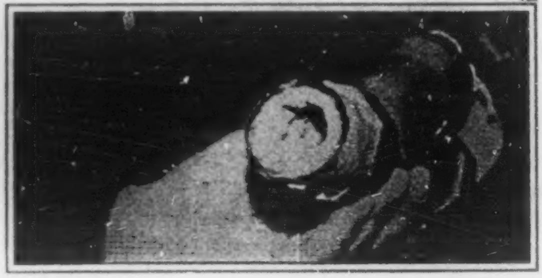
General OFFRINGA. Similarly, in our operations program, we are only able to provide 85 percent of the cost of ownership in 1990 in spite of the fact that we had to mortgage some of our investment as a result. It does fully fund the Government rental housing program that I mentioned earlier and takes care of the health and safety problems that we have found in the past year.

Maintenance, Repair and Improvement of Family Housing



Electrical Boxes

Water Pipes

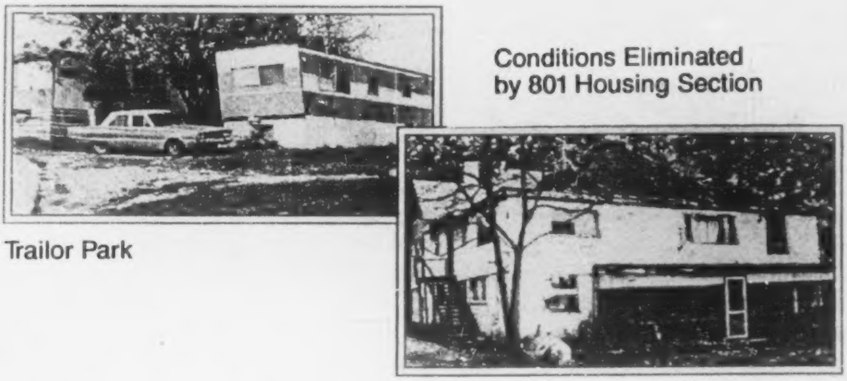


116-52

General OFFRINGA. This shows the sorts of things that we are attacking. Water pipes and electrical problems such as this are things that need to be done and we have money within the program to do it.

Economy Housing

Fort Campbell, Kentucky



Conditions Eliminated
by 801 Housing Section

Trailor Park

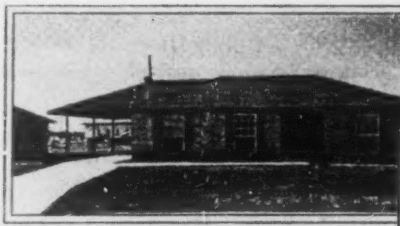
Multiple Unit

118.40

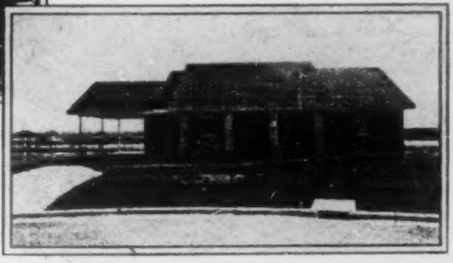
General Offringa. Our leasing program continues to be highly successful. We can talk more about the 801 and 802 programs, but these are some units that we actually had soldiers living in at Fort Campbell.

Section 801 Housing

Fort Hood, Texas



Model 937

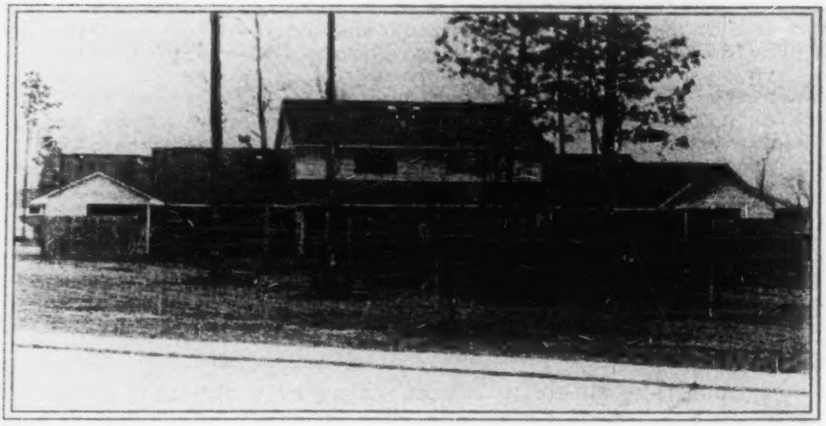


Model 932

We have 801 scheduled there that will look like these models at Freedom Village in Fort Hood, TX, a very unique 801 facility, that has been provided for junior noncommissioned officers.

Section 801 Housing

Fort Polk, Louisiana



General OFFRINGA. This shows the kinds of quadroplexes that are provided under the 801 program for junior enlisted at Fort Polk, Louisiana. We like the program and would like to have the authority extended and continued.

MILITARY CONSTRUCTION AUTHORIZATION OF APPROPRIATIONS SUMMARY

[In millions of dollars]

	Approved fiscal year 1989	Requested	
		Fiscal year 1990	Fiscal year 1991
MCA	969	892	1,183
AFH	1,527	1,469	1,654
HOA	2	5	5

General OFFRINGA. This short overview concludes my testimony and I look forward to answering your questions.

PREPARED STATEMENT OF MAJ. GEN. PETER J. OFFRINGA

Madam Chairwoman and Members of the Subcommittee. I am Major General Peter J. Offringa, Assistant Chief of Engineers, Office of the Chief of Engineers, Department of the Army.

I am pleased to return to the subcommittee to present the Army's family housing portion of the annual Military Construction Authorization and Appropriation Requests. The fiscal years 1990 and 1991 requests sustain efforts started in prior years to improve the operational readiness of the Army while, at the same time, provide quality of life improvements necessary to attract and retain dedicated individuals to serve in the Army.

Adequate family housing continues to be one of our top priorities. This budget request reflects the Army's commitment to provide suitable housing for our soldiers and to maintain the quality of the facilities entrusted to our stewardship.

ARMY FAMILY HOUSING (AFH) OVERVIEW

The fiscal years 1990 and 1991 AFH budget includes a request (TABLE I) for $1,469,000,000 and $1,654,550,000 in authorization, while an accompanying request for appropriation is for $1,469,000,000 in fiscal year 1990 and $1,654,550,000 in fiscal year 1991.

TABLE I - PROPOSED FISCAL YEARS 1990 and 1991
ARMY FAMILY HOUSING PROGRAM
AUTHORIZATION AND APPROPRIATION SUMMARY

FACILITY CATEGORY	FY 90 APPROPRIATION ($000)	FY 91 APPROPRIATION ($000)
New Construction	17,522	15,300
Post Acquisition Construction	36,794	40,840
Planning and Design	1,626	3,190
Operations	204,596	202,305
Utilities	296,784	305,643
Maintenance	592,179	625,451
Leasing	319,141	461,522
Debt Interest	58	49
Debt Principal	300	250
TOTAL	1,469,000	1,654,550

HOUSING PROGRAM ACCOUNTS

The Army Family Housing budget request includes resources for Army's new construction requirements, revitalization of our aging housing inventory, planning and design of future construction projects, and to fund the annual costs of operating, maintaining, and leasing housing units for military families. This request does not, however, provide adequate resources to perform all needed maintenance work, adding to the growing backlog of deferred maintenance and repair. TABLE II summarizes each of the categories of the AFH program and the percent of the total request for each category.

TABLE II - ARMY FAMILY HOUSING
FISCAL YEARS 1990 AND 1991 BUDGET SUMMARY
FACILITY CATEGORY SUMMARY

FACILITY CATEGORY	FY 90 PERCENT OF TOTAL APPROPRIATION	FY 91 PERCENT OF TOTAL APPROPRIATION
New Construction	1.2	0.9
Post Acquisition Construction	2.5	2.5
Planning & Design	0.2	0.2
Operations	13.9	12.2
Utilities	20.2	18.5
Maintenance	40.3	37.8
Leasing	21.7	27.9
Debt Interest	*	*
Debt Principal	*	*

*Less than .1 percent

NEW CONSTRUCTION

Army policy directs that the first source for providing family housing will be the civilian community. The concept of the Variable Housing Allowance (VHA) supports this policy. The Army's execution of the two test programs approved under Sections 801 and 802 of Public Law 98-115 also fully supports this policy. However, at locations where off-post housing is not available, too costly, or substandard, the Army must take positive steps to provide adequate housing for military families. New construction is programmed only when these conditions exist and it is the most economical alternative.

In this biennial budget our construction program has been reduced to our highest priority location, Hawaii, and one unit in Europe to provide safe housing for a general officer. TABLE III shows the projects requested for construction of family housing. These construction projects are for critically needed dwelling units on Oahu where off-post housing is scarce and expensive and continues an acquisition program that the Army started in 1988. Overseas construction at Verona, Italy, will provide one family housing unit for occupancy by a general officer to be sited on a secure Italian military facility. The site is being donated by the Italian government.

TABLE III - ARMY FAMILY HOUSING
NEW CONSTRUCTION
FISCAL YEARS 1990 AND 1991 BUDGET REQUEST

NEW FAMILY HOUSING CONSTRUCTION	NUMBER OF UNITS	REQUEST FOR APPROPRIATION ($000)
	FY 1990	
Helemano, HI	90	10,322
Hickam Air Force Base, HI	20	2,500
Kaneohe Marine Corps Air Station, HI	40	4,700
Subtotal	150	17,522
	FY 1991	
Oahu Hawaii, Various, HI	126	15,000
Verona, IT	1	300
Subtotal	127	15,300

POST ACQUISITION CONSTRUCTION

The Post Acquisition Construction program consists of substandard upgrades and whole house renewals to the current inventory to bring them up to contemporary standards and modernize obsolete systems. Due to the aging of our inventory, we must continue to place emphasis on this type work. In doing so, we will protect the government's investment and provide long-lasting benefits to our soldiers and their families.

Specifically, this request will provide revitalization to approximately 1,800 units at worldwide locations in fiscal year 1990 and almost 2,000 units in fiscal year 1991. Included in the request are whole house renewal projects for 306 units in fiscal year 1990 and 906 units in 1991. Smaller selected improvements will be made to 1,249 and 955 units in fiscal years 1990 and 1991, respectively. Funding will also correct substandard housing conditions in 230 units in fiscal year 1990 and an additional 103 units in fiscal year 1991.

OPERATION AND MAINTENANCE

The operation, utility and maintenance programs comprise the majority of the fiscal years 1990 and 1991 budget request, seventy-four and sixty-nine percent, respectively. The funding requested for these programs partially funds the Army's "cost of ownership," defined as the annual expenditures necessary to provide municipal-type services and utilities, to maintain the existing family housing inventory in order to protect the Army's investment, and to provide overall stewardship of the family housing inventory. Cost of ownership does not include that maintenance and repair work which was deferred in prior years due to insufficient funding, or revitalization projects. Fiscal years 1990 and 1991 requests continue programs which were in effect during previous years and provides resources for seventy-nine percent of our maintenance and repair requirements.

The cost of ownership funding for fiscal year 1990 increased 5.5 percent for inflation and pay raises over the fiscal year 1989 program and fiscal year 1991 increases 13.0 percent over 1990. Other increases to the fiscal years 1990 and 1991 funding requirement result from our attempt to restore funding shortfalls in prior years due to the declining value of the dollar and also as a result of the increased Government Rental Housing Program (GHRP) in Europe. Funds for GHRP were transferred from the Military Personnel, Army (MPA) portion of the budget request to provide the necessary resource increase for this program. This budget request restores some of the maintenance funding lost during fiscal year 1989 in order to continue our efforts to fix our aging, deteriorating inventory. This request also continues funding for the installation, operation and maintenance of an Army-wide computer system, Housing Operations Management System (HOMES), which is improving many phases of housing management. Due to continued management emphasis and the impact of previously approved energy conservation projects, a reduction in energy consumption has been factored into the utilities request. A continuing objective of the operation and maintenance program is the improvement of living conditions for military families throughout the world by accomplishing the annual maintenance and repair of our inventory. However, this budget request will not accomplish all work which is needed to meet this objective.

DEFERRED MAINTENANCE

Deferred maintenance is that maintenance and repair work which was scheduled for accomplishment in a prior fiscal year annual work plan, but could not be accomplished due to insufficient funding. Foreign currency losses and fiscal constraints since fiscal year 1986 created funding shortfalls which resulted in the deferral of more than $300,000,000 of maintenance projects since that time. In the short-term, deferring projects is the least harmful way of meeting the federal deficit reduction goals and paying for currency losses, but this deferral adds to the backlog of requirements and increases the rate of facility deterioration. We project the deferred maintenance backlog will increase to $935 million in fiscal year 1990 and $1,118 million in 1991 due to insufficient funding of the cost of ownership.

LEASING

Another way of adequately housing our military families is the leasing program. Our program includes domestic leases (Section 801 and temporary domestic), Section 802 rental guarantee housing, and foreign leases. The temporary domestic leasing program for fiscal years 1990 and 1991 continues to decrease as the need for temporary housing at Fort Drum and Fort Ord decreases. We have requested only $7,097,000 and $4,697,000 for temporary leases in fiscal years 1990 and 1991, respectively. The Section 801 program requests appropriation of $51,811,000 in fiscal year 1990 for an average of 3,874 units and $77,690,000 in fiscal year 1991 for 6,553 units.

The largest growth in this budget presentation is in the foreign leasing program. In the foreign leasing program, we request appropriation of $260,233,000 in fiscal year 1990 and $379,135,000 in fiscal year 1991. This growth is due to the expansion of the Government Rental Housing Program (GRHP) in Europe. Under this program the Army leases directly with European landlords and pays all lease costs while our soldiers forfeit all housing allowances. The soldiers then stay in these leased units for their entire tour and are relieved of the high out-of-pocket expenses associated with living on the economy in Europe. We found that soldier morale is improved and there is no additional cost to the government since monies that would have been paid in housing allowances, Military Personnel, Army (MPA) account, are now transferred to the housing leasing account.

Our total leasing program appropriation request supports an average of 31,500 units in fiscal year 1990 and 43,304 units in fiscal year 1991 to satisfy requirements in the United States, Europe, Korea, and Panama.

SUMMARY

Madam Chairwoman, in summary, I would like to emphasize that the Army's fiscal years 1990 and 1991 family housing budget requests reflect the needs of the service and support the programs presented by the Secretary of the Army and the Chief of Staff, Army. These requests emphasize readiness, improvements to our soldier's quality of life, and wise, careful stewardship of our existing inventory. It includes those projects of highest priority which can be accomplished within fiscal realities. Approval of these requests will enhance the Army's ability tc enlist and retain quality soldiers and improve the Army's operational readiness and war fighting capability.

Madam, this concludes my statement. I would be pleased to answer any questions or arrange for answers to be inserted in the record.

Mrs. SCHROEDER. Thank you very much.

I think we will move on, then, to Benjamin Montoya, from the Navy. We welcome you this morning.

STATEMENT OF REAR ADM. BENJAMIN F. MONTOYA, COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND, DEPARTMENT OF THE NAVY

Admiral MONTOYA. Thank you. Good afternoon, Madam Chairwoman, and members of the committee.

As Mr. Martin correctly presumed, I still have the submission from the President Reagan budget. However, after having participated in the redoing of that, I have every reason to believe that we are not going to be the same for all of MilCon. But, we expect nearly the same numbers for the Navy in the housing program.

The request for fiscal year 1990 and 1991 can be characterized in 1990 as a 5 percent overall reduction from the 1989 number, but projecting in 1991 a 10 percent increase. Our request is broken into four major parts, each of which I will address very briefly.

In our operations and maintenance request, on the maintenance side, we are asking for $305 million in 1990, up from $242 million in 1989, and in 1991, $314 million, representing a straightline request corrected for inflation. The reason for that increase in the maintenance account is to try to catch up with the backlog that has been building since 1983 and we are projecting these expenditure rates to try to get ourselves even by the late 1990s.

Our operations and utilities request is $284 million and $300 million for 1990 and 1991 respectively. Again, those are straightline requests dealing with relatively fixed costs, adjusted for inflation and new units coming on line.

We have an increase, also, in our request for construction improvements to our existing inventory of houses, houses that are in the 25- to 40-year old age category. We are requesting $42 million in 1990 and $46 million in 1991 to make improvements; and in some cases, increase sizes of kitchens, storage areas, to bring these houses into the early 21st century. Hopefully, they will last another 10 to 20 years.

In new construction our request is down a bit, again to adjust for the increases in the other areas. In fiscal year 1990, we are requesting $85 million for 795 units located at two overseas locations and three Stateside locations. In 1991, there is a significant increase to 1228 units at $149 million, covering four CONUS locations and two overseas sites.

Our leasing request will experience a significant increase between 1990 and 1991. In 1990, we are asking for $42 million; in 1991, $66 million. This is a reflection of the 801 housing program beginning to come on-line. We have been in our Norfolk houses, 300 units going on the second year now, and in Mayport we have just occupied 200 units of housing under the 801 program in March of this year.

We have under construction units at Earle, New Jersey, and Twentynine Palms, California, for the Marine Corps. We are very close to awarding in the neighborhood of 1000 units of housing in New York. We have struggled with the New York units very long and very hard, but we are at about the 98 percent point in optimism and that is looking very, very good.

Our overseas leasing costs remain stable at $26 million requested for 1990 and 1991.

We also have associated with this housing program in the 1990 program, three support facilities, and in the 1991 program, five support facilities. These are comprised of community centers and housing offices.

Not in this budget, but again, I want to reiterate because the relationship is so close, is that we do have 13 child development centers in the regular military construction program in direct support of existing families and certainly families that will come within our immediate sphere of influence when we build these new housing assets.

About 50 percent of Navy's people are married. We own a total of 72,000 houses of various types. We still have a deficit of some 55,000 housing units and we continue to eat away at that deficit through the various means at our disposal for acquisition.

We, too, feel that the 801 program, though I think secondary in desire for military construction or even the Capehart approach, nonetheless, does provide us a tool that we hope that you continue to provide us, leave at our disposal, so that we can fill some of the very significant housing deficits in areas where 801 works.

In the case of the Navy, 801 experience has not been as good as we would like, and it is primarily because of the areas of the country in which we live. So, we are using all approaches to try to reduce our deficit.

Madam Chairwoman, I appreciate your time and that concludes my brief statement. I have submitted for the record a more complete statement.

Thank you.

Prepared Statement of Rear Adm. Benjamin F. Montoya

MADAM CHAIRWOMAN AND MEMBERS OF THE COMMITTEE:

I AM REAR ADMIRAL BENJAMIN F. MONTOYA, COMMANDER OF THE NAVAL FACILITIES ENGINEERING COMMAND. I AM PLEASED TO BE HERE TODAY TO ADDRESS THE DEPARTMENT OF THE NAVY FISCAL YEARS 1990 AND 1991 FAMILY HOUSING PROGRAMS, WHICH INCLUDE BOTH THE NAVY AND MARINE CORPS. I WOULD LIKE TO CLARIFY BEFORE STARTING THAT ALL OF THE BUDGET FIGURES WHICH I WILL BE COVERING TODAY ARE FROM PRESIDENT REAGAN'S BUDGET SUBMISSION. OUR TOTAL FISCAL YEAR 1990 REQUEST IS $758.3 MILLION AND FISCAL YEAR 1991 IS $877.1 MILLION. THE FISCAL YEAR 1990 PROGRAM REPRESENTS A 5.1% REDUCTION FROM THE $799.3 MILLION APPROPRIATED IN FISCAL YEAR 1989. THE FISCAL YEAR 1991 PROGRAM IS A 9.7% INCREASE FROM THE FISCAL YEAR 1989 APPROPRIATION.

I WOULD LIKE TO BRIEFLY SUMMARIZE OUR PROGRAM REQUIREMENTS AND INITIATIVES IN THE MAJOR ACCOUNTS - OPERATIONS AND MAINTENANCE, LEASING, IMPROVEMENTS AND NEW CONSTRUCTION.

OPERATIONS AND MAINTENANCE

ALTHOUGH WE ARE CONTINUING OUR LONG TERM PLAN TO ELIMINATE THE SHORTAGE OF FAMILY HOUSING, THE FISCAL YEAR 1990 PROGRAM PLACES PRIMARY EMPHASIS ON TAKING CARE OF WHAT WE ALREADY OWN. OUR BACKLOG OF MAINTENANCE HAS GROWN DRAMATICALLY SINCE 1983. WE ARE REQUESTING AN INCREASE IN FUNDING FOR OUR MAINTENANCE PROGRAM FROM $241.9 MILLION IN FISCAL YEAR 1989 TO $304.7 MILLION IN FISCAL YEAR 1990. OUR FISCAL YEAR 1991 MAINTENANCE PROGRAM OF $314.0 MILLION IS A STABILIZED PROGRAM, ALLOWING ONLY FOR INFLATION. THIS FUNDING LEVEL WILL FINALLY REVERSE THE GROWTH IN THE BACKLOG AND REDUCE IT TO AN ACCEPTABLE LEVEL BY THE YEAR 2000.

WE ARE REQUESTING $284.1 MILLION IN FISCAL YEAR 1990 AND $300.0 MILLION IN FISCAL YEAR 1991 FOR OPERATIONS AND UTILITIES. THESE ACCOUNTS ARE STABILIZED AND ALLOW FOR INFLATION, NEW UNITS COMING ON LINE, AS WELL AS PROVIDING FOR THE FIXED FUNDING REQUIRED TO OPERATE OUR HOMES. ONE EXCITING INITIATIVE THE NAVY IS UNDERTAKING IS THE HOUSING RELOCATION ASSISTANCE PROGRAM. THIS PROGRAM WILL ASSIST OUR FAMILIES WITH THEIR MOVE PRIOR TO DEPARTURE FROM THE OLD DUTY STATION AND ON THE RECEIVING END. WE RECOGNIZE THE TREMENDOUS FINANCIAL AND EMOTIONAL HARDSHIPS THAT FAMILIES GO THROUGH EACH TIME THEY MOVE. THE HOUSING ASSISTANCE WE WILL PROVIDE WILL MAKE THE MOVE MUCH SMOOTHER.

LEASING

ON 2 MARCH 1989 WE BEGAN OCCUPYING OUR SECOND SECTION 801 PROJECT, A 200 UNIT LEASE AT NAVAL STATION MAYPORT, FLORIDA. NORFOLK, VIRGINIA, WAS OUR FIRST SUCCESSFUL SITE WHERE WE OCCUPY 300 UNITS. WE HAVE AWARDED CONTRACTS AT TWO OTHER SITES AND ARE IN VARIOUS STAGES OF EXECUTING THE BALANCE OF OUR AUTHORIZATION. IT HAS BEEN A STRUGGLE GETTING THE PROGRAM OFF THE GROUND BUT OUR FAMILIES ARE FINALLY BENEFITING FROM THIS PROGRAM AND WE THANK YOU FOR YOUR CONTINUED SUPPORT. THE REQUESTED FUNDING, $41.5 MILLION IN FISCAL YEAR 1990 AND $66.4 MILLION IN FISCAL YEAR 1991, WILL ENABLE US TO PAY THE CONTRACT COSTS FOR THE SECTION 801 UNITS AS THEY ARE PROJECTED TO COME ON LINE DURING FISCAL YEARS 1990 AND 1991 AND TO CONTINUE PAYMENTS OF OUR OVERSEAS LEASING PROGRAM. WE ARE VERY INTERESTED IN ARMY'S GOVERNMENT RENTAL HOUSING PROGRAM IN EUROPE. WE HAVE INITIATED

A SIMILAR PROGRAM WITH FIFTY UNITS AT HOLY LOCH, SCOTLAND. WE CALL THE PROGRAM "SHORE", WHICH STANDS FOR STABILIZE HOUSING OVERSEAS BY RENTING ON THE ECONOMY.

CONSTRUCTION IMPROVEMENTS

WE HAVE INCLUDED $42.1 MILLION AND $46.0 MILLION FOR FISCAL YEARS 1990 AND 1991, RESPECTIVELY, FOR THE IMPROVEMENTS PROGRAM TO PROVIDE OUR NAVY AND MARINE CORPS FAMILIES WITH PLACES TO LIVE THAT COMPARE FAVORABLY WITH THOSE FOUND IN THE LOCAL COMMUNITIES. A LARGE PERCENTAGE OF THE NAVY'S INVENTORY WAS BUILT 25-40 YEARS AGO AND LACKS MANY OF THE FEATURES THAT ARE COMMONPLACE IN TODAY'S TYPICAL HOME. STABILITY IN THIS PROGRAM WILL ALLOW US TO CONTINUE MAKING STEADY PROGRESS IN PROVIDING MODERN FEATURES.

NEW CONSTRUCTION

THE FISCAL YEAR 1990 NEW CONSTRUCTION PROGRAM OF $84.7 MILLION PROVIDES FOR 795 NEW UNITS AT THREE LOCATIONS WITHIN THE UNITED STATES AND TWO LOCATIONS OVERSEAS. IT ALSO PROVIDES FOR ESSENTIAL SUPPORT FACILITIES AT THREE LOCATIONS. IN FISCAL YEAR 1991 WE HAVE INCREASED OUR NEW CONSTRUCTION FUNDING TO CONTINUE OUR PROGRAMMING GOAL OF ELIMINATING OUR FAMILY HOUSING SHORTAGE. THE FISCAL YEAR 1991 PROGRAM OF $149.0 MILLION ALLOWS FOR THE CONSTRUCTION OF 1,228 UNITS AT FOUR LOCATIONS IN THE UNITED STATES AND TWO OVERSEAS LOCATIONS. SUPPORT FACILITIES FOR FOUR LOCATIONS ARE ALSO INCLUDED.

CHILD DEVELOPMENT CENTERS

PROVIDING IMMEDIATE SUPPORT TO OUR FAMILIES, BUT NOT FUNDED UNDER THE FAMILY HOUSING ACCOUNT, ARE THIRTEEN CHILD DEVELOPMENT CENTER PROJECTS IN OUR FISCAL YEAR 1990 MILITARY CONSTRUCTION REQUEST. EXAMPLES OF THIS SUPPORT INCLUDE THE CHILD CARE CENTER AT NAVAL STATION SAN DIEGO, CALIFORNIA, WHICH WILL PROVIDE ESSENTIAL CHILD CARE FOR 2300 CHILDREN AT OUR MURPHY CANYON FAMILY HOUSING SITE; AND THE PROJECT AT NAVAL STATION NEW YORK WHICH WILL PROVIDE AFFORDABLE CARE FOR FAMILIES TO BE HOUSED IN THE UNITS UNDER CONSTRUCTION AT FORT WADSWORTH AND OTHER HOUSING IN THE STATEN ISLAND AREA. THIS IS JUST ONE OF MANY INITIATIVES WE ARE UNDERTAKING TO IMPROVE THE QUALITY OF LIFE FOR OUR NAVY FAMILIES,

CONCLUSION

IN CONCLUSION, MADAM CHAIRWOMAN, ON BEHALF OF OUR FAMILIES, I WOULD LIKE TO THANK YOU AND THE COMMITTEE FOR YOUR CONTINUED SUPPORT OF THE FAMILY HOUSING PROGRAM. OUR GOAL IS TO ENSURE THAT OUR SAILORS AND MARINES HAVE SUITABLE PLACES TO LIVE. THEY HAVE THE RIGHT TO EXPECT THAT THEIR FAMILIES WILL BE PROVIDED FOR AS THEY FACE EXTREME HARDSHIPS AND DANGER IN THEIR ASSIGNMENTS AROUND THE WORLD. WE HAVE AN OBLIGATION TO MEET THOSE EXPECTATIONS. SAYING THANKS FOR A JOB WELL DONE IS NOT ENOUGH WHEN FAMILIES ARE OFTEN SEPARATED FOR MANY MONTHS BECAUSE THE HOUSING COSTS AT A NEW DUTY STATION ARE OUT OF REACH OR, IN MANY AREAS, HOUSING IS SIMPLY NOT AVAILABLE. OUR FISCAL YEAR 1990 AND 1991 BUDGETS WILL ENABLE US TO CONTINUE OUR INITIATIVES TO PROVIDE ESSENTIAL SERVICES FOR OUR FAMILIES AND TO UPGRADE THEIR LIVING CONDITIONS. WE SOLICIT YOUR FAVORABLE CONSIDERATION OF THE REQUEST.

Mrs. SCHROEDER. Thank you very much. We appreciate that.

Let's move along to Brig. Gen. Michael P. Downs, who is from the Marine Corps. Welcome.

STATEMENT OF BRIG. GEN. MICHAEL P. DOWNS, DIRECTOR, FACILITIES AND SERVICES, HEADQUARTERS, U.S. MARINE CORPS

General DOWNS. Thank you, Madam Chairwoman, members of the committee. I have just a few brief comments.

The Marine Corps family housing request for fiscal year 1990 and fiscal year 1991 is $121.3 and $125.5 million, respectively. The fiscal year 1990 request represents a decline of about 20 percent from our approved fiscal year 1989 program.

Ten point two million dollars, or about 8.5 percent of our fiscal year 1990 program is for new construction. Our current deficit, all of which is in southern California, is about 5000 homes. Unfortunately, our 1990 and 1991 new home construction program of 112 houses each year won't do much to reduce that deficit. We do hope to do better in the future.

The rest of our request will go toward the management, operations and maintenance, utilities, leasing, repair and improvement of our 22,000-home inventory. This portion of our program shows a slight increase over fiscal year 1989.

That completes my opening remarks. I would be happy to respond to questions, ma'am.

Mrs. SCHROEDER. Thank you very much.

Let us move on to Mr. Jim Boatright, who is the Deputy Assistant Secretary for Installations at the Department of the Air Force. Welcome.

STATEMENT OF JAMES F. BOATRIGHT, DEPUTY ASSISTANT SECRETARY FOR INSTALLATIONS: DEPARTMENT OF THE AIR FORCE

Mr. BOATRIGHT. Thank you, Madam Chairwoman. I appreciate this opportunity. I have with me today Major General Ahearn. He is the Air Force's principal witness associated with the military construction and family housing programs.

I have come here today to ask the committee for special support of what the Air Force feels is its highest priority facility requirement. I want to place some focus on that requirement.

The Air Force has about 140,000 units of family housing throughout the world. Eighty thousand of those units urgently need to be modernized, brought up to current-day standards. Unfortunately, the 80,000 units have worn out all at about the same time because these units were essentially purchased under the old wherry and Capehart programs. Those programs were in the 1950s and the early 1960s.

As a result of that, we have a massive problem on our hands and we have been unable to reach that problem to our total satisfaction to date through the appropriated account. The Air Force has been increasing that account in our request each year. This year, we have a 7 percent real growth from last year in our budget request for this modernization program.

But at that appropriation level, the repair or the modernization cycle is 22 years for those 80,000 units, far too long. We simply have to get our people in better houses sooner than that and we would like to move that back to a period of, say, 10 to 12 years.

We had thought that the best way to do this was through some sort of a mortgage financing program. We just paid off the debt on our Capehart and wherry programs this past year. We thought that putting a new debt on those houses would be the best way to get the additional money that we need to squeeze this program down to a reasonable length of time.

Unfortunately, because of the way this kind of debt must be scored in the budget submittals, we have been unable to do that. You mentioned in your opening statement that the department had not responded to the guidance provided by the Congress. I must remind the committee that the department did respond a year ago, in 1988, with a complete study on the Capehart program. As a result of that, the Congress directed this past year that we submit legislation along with a pilot program.

We did not do that. We did not do that because of this scoring issue primarily. The department, including the Department of the Air Force and the Department of Defense, did make such a proposal; we did prepare such legislation, but OMB decided, because of the scoring rules, that it was inappropriate for us to submit that legislation. Therefore, the legislation was not submitted.

As a result, we have concluded that the only way that we are going to be able to achieve this highest priority requirement is to increase our appropriations. In order to do this, we are going to have to nearly double that element of our budget over the next 3 or 4 years and then carry that doubled amount for another 6, 7 or 8 years.

We are prepared to do that if we could get the oversight committees to indicate support for such an initiative. We will, in fact, bring that kind of increase over to the Congress within the overall Air Force budget constraints.

That is my appeal to the committee and that is the reason why I have come today. I do appreciate this opportunity.

General Ahearn would like to make just a few comments now in regard to our overall program.

Mrs. SCHROEDER. General Ahearn, welcome.

STATEMENT OF MAJ. GEN. JOSEPH A. AHEARN, DIRECTOR OF ENGINEERING AND SERVICES, DEPARTMENT OF THE AIR FORCE

General AHEARN. Thank you, Madam Chairwoman, and members.

The first point that I would like to mention about the Air Force program is its balance. Indeed, we have the new construction request for the continental U.S. and the overseas areas, with a heavy emphasis on overseas areas.

I would feel remiss if I did not speak to the spirit of the family housing improvement program for this is our target. This is our standard, using conventional construction techniques. This is the statement of the interior that we are pursuing. Nothing fancy, basic housing requirements both here in the continental U.S. and overseas.

This is an overseas project that we recently completed at Incirlik, Turkey. We feel that our people feel very good about where they live and work and where they play and that an investment in this family housing makes one fine team for aerospace power.

We have a lot of this type of inventory in our assets, Madam Chairwoman, and members, that need updating. Our neighborhood update schemes are well thought out and well planned to include thinning out of the assets that we have.

We look at cul-de-sacs that exist in our older 30-, 40-year assets and we are looking for an updating of those into townhome clusters.

We look at simple facilities like this that are 30, 40 years of age and we turn them into neighborhoods such as this.

I feel accountable to you to let you know what we are doing with the family housing improvement assets that you have been authorizing for us. We are grateful for your support.

This is an initiative at Clark Air Force Base where our people are living in unkempt, dangerous neighborhoods. We are delivering family housing at a rate of about 50 per month now to bring our people off of the community areas around Clark Air Force Base in the Philippines and bringing them on the air base.

We have a request in this year's budget for 450 units. We will be back in 1991 with another 450 and in 1992 with another 450. We think, then, that we will have fulfilled the needs for security and safety for our families who are stationed in the Philippines.

Thank you for the opportunity to address you.

[Charts accompanying General Ahearn's testimony are retained in committee files.]

Joint Prepared Statements of James F. Boatright and Maj. Gen. Joseph A. Ahearn

INTRODUCTION

MADAM CHAIRWOMAN AND MEMBERS OF THE COMMITTEE. I AM JAMES F. BOATRIGHT. DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE FOR INSTALLATIONS. I HAVE WITH ME THIS MORNING MAJOR GENERAL BUD AHEARN. DIRECTOR OF ENGINEERING AND SERVICES. I AM PLEASED TO HAVE THIS OPPORTUNITY TO PRESENT THE AIR FORCE MILITARY FAMILY HOUSING PROGRAM FOR FISCAL YEARS 1990 AND 1991.

CARING FOR THE HOUSING NEEDS OF OUR AIR FORCE FAMILIES RANKS AT THE TOP OF OUR QUALITY OF LIFE OBJECTIVES. THERE ARE OVER 379.000 FAMILIES IN THE AIR FORCE. THEY ALL NEED HOUSING. WE CONTINUE TO RELY ON THE LOCAL COMMUNITY AS OUR FIRST SOURCE. IN THOSE INSTANCES WHERE THE LOCAL COMMUNITY CANNOT MEET OUR NEEDS. WE PROVIDE GOVERNMENT HOUSING. APPROXIMATELY 145.000 FAMILIES. OR JUST UNDER 40 PERCENT. LIVE IN AIR FORCE OWNED OR LEASED UNITS. THE BALANCE OF THE FAMILIES LIVE IN THE COMMUNITIES SURROUNDING OUR INSTALLATIONS.

THE REQUIREMENT FOR ADEQUATE FAMILY HOUSING HAS NEVER BEEN GREATER. OVER THREE FOURTHS OF OUR HOUSING OCCUPANTS ARE THE FAMILIES OF JUNIOR SERGEANTS AND JUNIOR OFFICERS. THESE YOUNG SERVICE MEMBERS HAVE JUST REACHED THE POINT IN THEIR CAREERS WHERE THEY ARE FULLY TRAINED TO PERFORM IN THEIR CHOSEN SPECIALTIES. WE RECRUITED THESE READINESS TRAINED SKILLED AIRCRAFT TECHNICIANS AND AIRCREW MEMBERS. BUT IT WILL BE A FAMILY DECISION TO STAY. THE QUALITY OF THE HOMES AND NEIGHBORHOODS WHERE THESE FAMILIES LIVE. WHETHER IN THE LOCAL COMMUNITY OR ON BASE. STRONGLY INFLUENCES THIS IMPORTANT CAREER DECISION.

WE MUST PROVIDE CONTEMPORARY HOUSING FOR OUR FAMILIES IF WE ARE TO RETAIN OUR SKILLED FORCE. WE CANNOT AFFORD TO PAY THE HIGHER TRAINING BILLS FOR REPLACEMENTS NOR THE REDUCED READINESS CAUSED BY YOUNG FAMILIES DECIDING TO LEAVE THE AIR FORCE TO FIND A BETTER FAMILY LIFE IN THE PRIVATE SECTOR.

MILITARY FAMILY HOUSING HIGHLIGHTS

THE MILITARY FAMILY HOUSING REQUEST TOTALS $1.023 BILLION IN FISCAL YEAR 1990 AND $1.110 BILLION IN FISCAL YEAR 1991. OF THE AMOUNT IN FISCAL YEAR 1990, $242 MILLION IS FOR NEW CONSTRUCTION, IMPROVEMENTS, AND PLANNING AND DESIGN; $673 MILLION IS FOR OPERATIONS, UTILITIES, AND MAINTENANCE; AND $108 MILLION IS REQUIRED TO PAY LEASING COSTS. FOR FISCAL YEAR 1991, $269 MILLION IS FOR NEW CONSTRUCTION, IMPROVEMENTS, AND PLANNING AND DESIGN; $702 MILLION IS FOR OPERATIONS, UTILITIES, AND MAINTENANCE; AND $139 MILLION IS FOR LEASING.

THIS BALANCED PROGRAM IS DEDICATED TO MEETING NEW MISSION REQUIREMENTS FOR ADDITIONAL HOUSING UNITS, SATISFYING CURRENT DEFICIENCIES, PROVIDING IMPROVEMENTS TO EXISTING UNITS, AND KEEPING PACE WITH THE DEFERRED MAINTENANCE AND REPAIR NEEDED TO KEEP OUR 30-YEAR OLD INVENTORY AT ADEQUATE STANDARDS WITHIN THE CONSTRAINTS OF THE AUSTERE AIR FORCE BUDGET.

NEW CONSTRUCTION

IN SOME CASES, AVAILABLE OFF-BASE HOUSING IS INADEQUATE TO MEET THE NEEDS OF AIR FORCE FAMILIES. THE ANNUAL HOUSING SURVEY REVEALS A PROJECTED NET DEFICIT, WORLDWIDE, OF 36,000 UNITS. THIS MEANS THAT MANY AIR FORCE FAMILIES LIVING ON THE LOCAL ECONOMY ARE NOT ADEQUATELY HOUSED DUE TO SUBSTANDARD CONDITIONS, DISTANCE OR COST. ONE OF OUR APPROACHES TO SOLVING THIS PROBLEM IS THROUGH NEW CONSTRUCTION.

OUR FISCAL YEAR 1990 REQUEST IS FOR $61 MILLION AND OUR 1991 REQUEST FOR $68 MILLION. FISCAL YEAR 1990 INCLUDES 200 HOUSING UNITS TO BE CONSTRUCTED AT RAMSTEIN AIR BASE, GERMANY WHERE THE NEED FOR ADDITIONAL HOUSING IS CRITICAL. FISCAL YEAR 1991 INCLUDES 300 UNITS AT HURLBURT AIR FORCE BASE, FLORIDA WHICH IS NEEDED TO SUPPORT THE SPECIAL OPERATIONS FORCES' REORGANIZATION OF THE 23RD AIR FORCE. IN ADDITION, THERE ARE PROJECTS IN BOTH YEARS FOR 450 UNITS AT CLARK AIR BASE, REPUBLIC OF THE PHILIPPINES, TO SOLVE ONE OF OUR GREATEST HOUSING DEFICIENCIES FOR AIR FORCE FAMILIES. OFF BASE LIVING CONDITIONS IN THE PHILIPPINES IS INADEQUATE DUE TO LACK OF SECURITY, HIGH RATE OF THEFT, NON-POTABLE WATER, INADEQUATE FIRE PROTECTION, AND FREQUENT POWER OUTAGES. THESE PROJECTS SUPPORT MOVING FAMILIES FROM INADEQUATE OFF BASE QUARTERS TO ADEQUATE QUARTERS ON BASE AND ARE NOT A RESULT OF ANY INCREASE OF ACCOMPANIED TOURS AT CLARK. ALSO, IN BOTH YEARS, SEVERAL HOUSING MANAGEMENT OFFICES AND MAINTENANCE/SUPPLY FACILITIES PROJECTS ARE REQUESTED TO SUPPORT THE MANAGEMENT AND MAINTENANCE ACTIVITIES REQUIRED FOR OUR HOUSING COMMUNITIES.

IMPROVEMENTS

OUR INVENTORY OF 138,000 AIR FORCE OWNED UNITS IS NOW OVER 30 YEARS OLD. ABOUT 80,000 OF THESE UNITS DO NOT MEET TODAY'S FUNCTIONAL AND ARCHITECTURAL STANDARDS. MOREOVER, THEY ARE SEVERELY IN NEED OF MAJOR REPAIR. TO MEET OUR REQUIREMENTS AS LANDLORDS AND THE EXPECTATIONS OF OUR OCCUPANTS, "WHOLE HOUSE" AND WHOLE NEIGHBORHOOD REVITALIZATION IS PAST DUE.

IMPROVING THESE 80,000 FAMILY HOUSING UNITS IS THE TOP FACILITY PRIORITY OF THE AIR FORCE. FISCAL YEARS 1990 AND 1991 BUDGET REQUESTS EACH PROVIDE A SEVEN PERCENT REAL GROWTH IN FUNDING TO ACCELERATE THIS REVITALIZATION WORK. AT PAST LEVELS OF FUNDING, IT WOULD HAVE TAKEN OVER 25 YEARS TO COMPLETE THIS REVITALIZATION EFFORT. THE 1990 AND 1991 REQUESTS MOVE THE TIME LINE TO 22 YEARS. WE WILL MAINTAIN THE INTENSITY OF THIS EFFORT AND CONTINUE OUR SEARCH FOR WAYS TO REDUCE THE TIME REQUIRED TO UPGRADE ALL 80,000 UNITS IN 10 YEARS.

OUR WHOLE HOUSE REVITALIZATION PROGRAM UPDATES WORN OUT BATHROOMS AND KITCHENS, REPLACES OBSOLETE UTILITY AND STRUCTURAL SYSTEMS, PROVIDES ADDITIONAL LIVING SPACE, AND BRINGS THE UNITS UP TO COMPARABLE PRIVATE-SECTOR STANDARDS WITHIN THE SQUARE FOOT LIMITATIONS AUTHORIZED IN LAW. WE ARE SEEKING IN FISCAL YEAR 1990 AUTHORIZATION AND APPROPRIATION TOTALING $173 MILLION IN IMPROVEMENT PROJECTS AND IN FISCAL YEAR 1991 AUTHORIZATION AND APPROPRIATION TOTALING $193 MILLION.

WE ARE CONFIDENT WE CAN MANGE THIS LARGER PROJECT WORKLOAD. OUR OBLIGATION RATE OF THE FISCAL YEAR 1988 REVITALIZATION FUNDS IN THE YEAR APPROPRIATED HAVE BEEN THE BEST EVER, NEARING 100 PERCENT. WE ARE COMMITTED TO PROVIDING QUALITY HOUSING FOR A QUALITY FORCE.

OPERATIONS, UTILITIES, AND MAINTENANCE

THE FISCAL YEAR 1990 REQUEST FOR OPERATIONS, UTILITIES, AND MAINTENANCE FUNDING IS $673 MILLION AND FOR FISCAL YEAR 1991 $702 MILLION. THIS FUNDING SUPPORTS OUR OBLIGATIONS IN THE MUST PAY UTILITIES AND OPERATIONS ACCOUNTS AS WELL AS THE MAINTENANCE OF OUR EXISTING HOUSING INVENTORY AT OVER 150 INSTALLATIONS. THESE 138,000 UNITS HAVE A REPLACEMENT VALUE OF WELL OVER $11 BILLION. WHILE OUR WHOLE HOUSE REVITALIZATION PROGRAM WILL BREATHE NEW LIFE INTO MANY OF THESE HOUSES, MAINTENANCE AND REPAIR OF THE UNITS ARE NEEDED TO KEEP THE "DOORS OPEN" AND PROTECT OUR PAST INVESTMENT.

THIS ACCOUNT ALSO SUPPORTS OUR QUARTERS CLEANING PROGRAM WHICH WE BELIEVE IS ONE OF THE BEST QUALITY OF LIFE IMPROVEMENTS THAT THE DEPARTMENT OF DEFENSE HAS IMPLEMENTED. FEEDBACK RECEIVED FROM SENIOR AIR FORCE COMMANDERS, WING COMMANDERS, AND SENIOR ENLISTED ADVISORS IS THAT FEW CHANGES OCCURRING DURING THE 1980'S IN SUPPORT OF THE LINE OF THE AIR FORCE HAVE BEEN SO SIGNIFICANT AS THE QUARTERS CLEANING PROGRAM.

THIS PROGRAM ELIMINATES AN ENORMOUS IRRITANT TO THE FREQUENTLY MOVING MILITARY FAMILY. WHILE STILL PERFORMING QUARTERS CLEANING TO A "BROOM CLEAN" STANDARD, AS IS DONE IN THE CIVILIAN SECTOR, THIS PROGRAM ELIMINATES THE UNNECESSARY HARASSMENT OF "WHITE GLOVE" INSPECTIONS DURING AN ALREADY EMOTIONAL FILLED PERIOD OF FAMILY UPROOTING.

LEASING

FOR LEASING, THE FISCAL YEAR 1990 REQUEST IS $108 MILLION AND FOR FISCAL YEAR 1991 $139 MILLION. THIS REQUEST IS FOR BOTH THE DOMESTIC AND OVERSEAS UNITS. WE ANTICIPATE COMPLETING CONSTRUCTION FOR ALL THE UNITS AUTHORIZED BY CONGRESS IN PRIOR YEARS FOR SECTION 801 AND OVERSEAS BUILD-LEASE. WE ARE REQUESTING 1,500 ADDITIONAL SECTION 801 AUTHORIZATIONS IN THIS TWO YEAR BUDGET REQUEST. ONLY AUTHORIZATION FOR THESE 1,500 UNITS IS BEING REQUESTED SINCE LEASE FUNDS WILL NOT BE REQUIRED UNTIL THE UNITS ARE COMPLETED. WE ANTICIPATE FUNDS WILL NOT BE REQUIRED FOR THESE UNITS UNTIL 1992.

THE SECTION 801 BUILD-LEASE PROGRAM HAS BEEN SUCCESSFUL IN ACQUIRING ADDITIONAL HOUSING UNITS FOR OUR FAMILIES. WE HAVE 300 UNITS AT EIELSON AIR FORCE BASE, ALASKA; 163 UNITS AT HANSCOM AIR FORCE BASE, MASSACHUSETTS; 200 UNITS AT GOODFELLOW AIR FORCE BASE, TEXAS; AND 200 UNITS AT MARCH AIR FORCE BASE, CALIFORNIA. WE ALSO EXPECT TO AWARD PROJECTS THIS YEAR AT THE FOLLOWING AIR FORCE BASES: MARCH, HURLBURT, WHITEMAN, TRAVIS, ELLSWORTH, AND CASTLE.

THE AIR FORCE HAS NOT BEEN SUCCESSFUL IN AWARDING A SECTION 802, CONUS RENTAL GUARANTEE HOUSING PROJECT. WE HAVE BEEN STYMIED BY LOW ENTREPRENEUR INTEREST DRIVEN BY UNFAVORABLE FINANCINGS. WE ARE ATTEMPTING TO USE 10 U.S.C. SECTION 2667 LAND OUTLEASE AUTHORITY TO THIRD PARTY FINANCE HOUSING UNITS AT TWO INSTALLATIONS. WE CONTINUE TO FOSTER PRIVATIZATION WHERE THERE IS A POTENTIAL FOR COST EFFECTIVE SOLUTIONS TO OUR HOUSING NEEDS.

A TOTAL OF 9,201 FOREIGN LEASES ARE REQUESTED FOR OVERSEAS LOCATIONS. OUR OVERSEAS LEASING PROGRAM IS KEY TO SATISFYING OUR FOREIGN HOUSING REQUIREMENTS. WHILE NO NEW AUTHORIZATIONS ARE REQUESTED ABOVE LAST YEAR'S LEVEL, OUR BUDGET REQUESTS ADDITIONAL FUNDING TO ACCOMMODATE THE COMPLETION OF NEW UNITS PREVIOUSLY AUTHORIZED.

CONCLUSION

MADAM CHAIRWOMAN, OUR GREATEST FACILITY NEED IS FAMILY HOUSING, AND OUR COMBINED FISCAL YEAR 1990 AND 1991 FAMILY HOUSING. OUR REQUEST THIS YEAR REFLECTS OUR COMMITMENT TO FAMILY HOUSING EXCELLENCE! THERE ARE TOO MANY AIR FORCE FAMILIES LIVING IN INADEQUATE HOUSING. OUR OBJECTIVE IS TO PROVIDE OUR FAMILIES THE SAME LIVING STANDARDS FOUND IN THE LOCAL COMMUNITY. WE REQUEST FULL AUTHORIZATION OF OUR MILITARY FAMILY HOUSING PROGRAM SO THAT WE CAN IMPROVE THE LIVING STANDARD FOR OUR AIR FORCE FAMILIES RETAIN OUR QUALITY FORCE.

MADAM CHAIRWOMAN , I AM HONORED TO BE ABLE TO APPEAR BEFORE YOU TODAY AND TO REPRESENT THE UNITED STATES AIR FORCE. WE ARE PREPARED TO ANSWER YOUR QUESTIONS.

Mrs. SCHROEDER. I want to thank everyone for coming. We appreciate everyone's hard work. It is a frustrating time when you hear all the rhetoric about how much we care about families, and yet we certainly don't see it in the family housing programs as we watch it all go straight down.

Let me ask Mr. Boatright a few more questions about the Capehart program. When you say that OMB would not allow the legislation to come forward because of scoring, you mean the problems under the Budget Act? Is that correct?

Mr. BOATRIGHT. Yes, ma'am. The problem was that the Air Force had submitted this proposal in compliance with the direction. OSD, from a functional standpoint—Bob Stone's office in OSD had supported this. It went to the Comptroller. The Comptroller realized that, in accordance with the budget rules, that we would have to put in our budget the amount of money that was associated with the total first-year obligation for the test program, which was 4500 units, I believe.

That was not in the program anywhere and so they had to seek a waiver of that requirement from OMB. They submitted such a waiver request. The waiver was turned down and, therefore, the program was not submitted.

Mrs. SCHROEDER. The big difference between 801 and Capehart is that when the thing ends, in Capehart, you still own the house, and in 801, the developer owns the house.

Mr. BOATRIGHT. Yes, that is correct.

Mrs. SCHROEDER. So we would be in real trouble if we had been using 801 all along because there would be an awful lot of housing in the military that now someone else would own.

Mr. BOATRIGHT. Yes. I think in all fairness to the administration's views on this, I need to say a few words. The policy of the Department of Defense for years has been that we should rely first on the community's housing and that they are saying to us that through the 801 program, you can go out and acquire for the next 20 years some additional houses. Those houses then will become a part of the community and our families will be able then to go and rent those as individuals and not as an Air Force or an Army or a Navy.

So I think there is certainly some considerable merit to the 801 approach. We do not want to try to promote Capehart at the expense of the 801 build-lease authority. We believe the Capehart has a place and especially in the renovation business because we own those houses and the only way we can use private-sector financing, we believe, in a cost-effective way, is to put a mortgage on those houses.

Mrs. SCHROEDER. That is very interesting.

Let me switch to Admiral Montoya. We constantly hear from people that live in Naples, how upset they are with the Navy because they don't get the appliance package that the Army and the Air Force has. That is a big problem everywhere.

Why can't the Navy do what the Army and the Air Force does?

Admiral MONTOYA. We are just beginning to provide them Madam Chairwoman. Our people are absolutely correct. Not only is the dual standard wrong, our commander in Europe, Admiral Busey, has been very aggressive in the last few months to the extent that we have reshuffled our 1989 dollars and provided him seed money, $1.8 million, to begin to buy some of these kits. We have programmed in this budget, the 1990 budget, another almost $4 million to continue the program.

We will continue to gather financial data and continue to increase our budgets to try to reach parity with the other two services in those locations. We have no disagreement with our need and your assessment.

Mrs. **Schroeder**. The other thing I would like to pass on is in Guantanamo. We heard from many people who were very upset about housing that has been considered substandard and that was going to be demolished next year. They still wouldn't label it substandard because they didn't want to give them part of the housing allowance back. They felt that that wasn't quite fair.

Admiral **Montoya**. There must be a communications problem there because I do not have in our plans, a demolition program for those houses. We do have an additional housing request for Guantanamo Bay in 1991, but it is for additional housing, not replacement housing which would imply demolition.

I want to follow up on that question, but I don't believe that is in our plans as of this moment. If it were, we would coordinate with the local commander before making such a decision.

Mrs. **Schroeder**. Please check it out because when we visited there, we saw something different.

Admiral **Montoya**. Yes, ma'am.

[The following information was received for the record:]

There are a number of family housing units at Naval Station, Quantanamo Bay, Cuba, which are deteriorated, some to the point of structural failure. There is also a deficit of approximately 300 units. Navy representatives plan to conduct an on-site assessment of the condition of the family housing inventory in late April. Based on that assessment, a decision will be made on whether to replace or rehabilitate the deteriorated units. Again, the Navy emphasizes that the fiscal year 1991 project is in order to address the deficit at this location, where there is no other housing alternative for our families.

Mrs. **Schroeder**. We also had a question from another committee member who couldn't be here about Mare Island naval complex where they claim that they need at least 300 units, that they have an 18- to 24-month waiting period. Is it just the fact that we are out of money that we can't deal with that?

Admiral **Montoya**. It is merely a matter of priorities. We have a deficit of 7000 units in the San Diego area. We have, I think, a deficit of 2000 or 3000 in the Long Beach area. It is just under 3000 in the entire San Francisco Bay area. So, Madam Chairwoman, it is a problem that we have at most of our large complexes and hopefully some of it will be alleviated by spreading the Navy out a bit. Particularly in the Gulf Coast areas, there we hope to really offset the need for 7000 units of family housing that we can get on the economy, which are affordable for our people.

That is a priority issue and not one that is being neglected.

Mrs. **Schroeder**. Thank you. My time is expired.

Congressman Martin.

Mr. **Martin**. Thank you very much.

Gentlemen, I know the frustrations that you have and we have the same frustrations, again, with this moving target. I am glad to hear that Admiral Montoya at least suggested that, to the best of his knowledge, the Navy family housing won't be going down much, if anywhere, with the Bush submission. That is all well and good, but we are still fighting the battle up here. You don't have to take sides in that, but when we divvy up the pie up here, we are going to work very hard to see if we can't get a share of the budget that is more commensurate with the importance of military construction and housing and morale and longevity of people in the service and that kind of thing.

Looking to that, if we were to find out that we were going to get a plus-up as far as military construction in family housing is concerned—as far as the design and construction of military housing, that is something we can plus-up in a year and get the things built in that fiscal year and with the backlogs that you all have, no one would have a problem of showing me, within 3 weeks, of where your priorities were of new houses to be built if we were to get an increase in our allotment for this committee.

Is that correct? Does anybody disagree with that?

Admiral MONTOYA. That is correct. Because of our acquisition approach, we can react.

Mr. MARTIN. General Downs, I think he can probably do it off the top of his head here, and I assume the rest of you could, too.

General DOWNS. I think we could handle that, sir.

Mr. MARTIN. That is good news because it is going to be part of our argument a little bit.

Admiral Montoya, you mentioned here that you are talking about 13 child development centers in this year's budget, yet I note only two next year. Does that mean that after next year, if all of these are built, you will be pretty much in good shape or is there a big backlog in child care centers as well.

Admiral MONTOYA. No, sir, we are buying some time and we are looking at other methods of acquiring child care centers. We are revisiting again the private-party venture capital approach. If we are successful, you are going to see another number in 1992. That is one of the real high priority items among our people more and more as the single-parent issue continues to grow.

Mr. MARTIN. Do I understand you correctly, if you don't have some type of breakthrough on third-party financing and that type of thing, that next year's request will be changed from two to something higher?

Admiral MONTOYA. No, I would say the 1992 program. We hope to be able to continue to fill our needs through other means.

Mr. DICKINSON. Would the gentleman yield for a question?

Mr. MARTIN. I would be happy to yield.

Mr. DICKINSON. For the benefit of the members who were not on the committee then and for my own edification, we tried valiantly for 2 or 3 years to get the DOD to go to privately financed entrepreneurial type child care centers and even directed 1 year that each of the services put in a pilot program.

What happened to that? Do you recall?

Admiral MONTOYA. Yes, sir, I do. One of the problems we had was that we were operating under a set of rules at the time that provided us very little means to subsidize, if you will, the private entrepreneur. So when you put it entirely on the entrepreneur to provide the property, the utilities and the building and the staff, our people couldn't afford the final outcome.

Mr. DICKINSON. No, you were going to give them the property for 20 years, a 20-year lease or something like that, and then the building reverted at that time. But you are right. The users had to pay for the whole enchilada.

Admiral MONTOYA. Now, OSD has recently let a child care center, private venture capital project at the Pentagon. We are advised that we can, in fact, provide land. We can purchase or essentially provide from Government the cost of the building. We can provide some utilities support; therefore, our people will pay for the cost of operation of the facility only.

We are looking at that as a way to get the costs down within reach of our enlisted personnel. We are much more encouraged now than we were a couple of years ago when we tried under a different set of financing rules.

Mr. DICKINSON. Thank you.

Mr. MARTIN. General Ahearn, you mentioned the emphasis that is being put on family housing, Air Force, at Clark and a large number of units being built on base. Can you tell me right now what percentage of our airmen at Clark are living on the economy?

General AHEARN. Yes. Let me give it to you in terms of the population of the Air Force at Clark. It is about 9000. We have about 3000 off base.

Mr. MARTIN. So you are talking over the next 3 years, if this comes to fruition, then you will be able to accommodate the entire Air Force dependent and uniform population on base?

General AHEARN. The vast majority of them, yes, sir.

Mr. MARTIN. General Offringa was talking about their new GRHP program in Germany. I think that is the correct acronym——

General AHEARN. Yes, sir.

Mr. MARTIN. Which has worked very well for the Army and I understand it is costing out at about what you expected and we are not spending a lot of money on it, but the big advantage is it is kind of hassle-free for the young soldier.

Are you folks doing that in the Air Force over there, to the extent the Army is?

General AHEARN. We have just begun, sir, and we have just begun at Rhein Main. We are pursuing 100 units at this moment in fiscal year 1989 and we look forward to seeking out 300 more units in fiscal year 1991.

Mr. MARTIN. General, how long are we committed to have those—to lease that German housing?

General OFFRINGA. The leases are normally executed for the length of the tour, which would be 3 years, but what we find is that a lot of the German landlords adapt their houses to U.S. standards and so once they have adapted that house, it makes sense for them to continue to lease it to U.S. families. We anticipate a continued roll-over of houses that are within the standards that we desire for our soldiers.

Mr. MARTIN. One last brief question just for the Air Force and the Army here, not to ignore the Navy and the Marine Corps, but how many long-term leases on the order of 801 housing, that kind of a program, do we have in Europe? Do we have many of those that we would be obligated to keep the houses for 20 years or anything like that?

General OFFRINGA. The Army, sir, has authorization in 1989 for 26,000 leases in Europe. Those are both long-term and short-term.

Mr. MARTIN. What is considered long-term by your definition?

General OFFRINGA. That would be a 10 year lease on a build-to-lease sort of operation, as opposed to a lease that we roll over every 3 years.

Mr. MARTIN. I have had more than my time. Thank you very much.

Mrs. SCHROEDER. Thank you very much.

Congressman Bilbray.

Mr. BILBRAY. Yes, a couple of questions. You mentioned Guantanamo, the Navy, on reconstruction of new facilities someplace in 1991, 1992. If I recall, our lease runs out in Guantanamo, what is it, 1999?

What kind of facilities are we going to build to turn over to the Cubans?

Admiral MONTOYA. It is not a lease running out. Really, it is a base rights agreement that can only be terminated by the agreement of both parties. It is a bit of a myth that somehow the agreement is over and we have to leave. It requires a two-party abrogation of the agreement, Mr. Bilbray.

Mr. BILBRAY. So if we want to stay, we stay.

Admiral MONTOYA. That is how we understand the status of that agreement, yes, sir.

Mr. BILBRAY. I hope the Cubans understand it the same way.

Italy. We are moving our squadron out of Torrejon in Spain, moving to Italy. We are going to build large facilities there in housing? I understand the Italians—that is part of the condition, that we build a large amount of housing for our personnel. Is that correct?

General AHEARN. Yes, sir. With the leadership of NATO, Secretary Carlucci hammered out an agreement, first, that the relocation for the 401st Tactical Fighter Wing would be financed by NATO and that the family housing, about 2500 units, Mr. Bilbray, would be prefinanced by NATO to be paid back over a 10-year period by the United States.

Mr. BILBRAY. So they are going to finance it for us, but we are going to have to pay for the housing. We presently had housing in Spain; is that correct?

General AHEARN. We had leased housing in Spain, sir.

Mr. BILBRAY. What kind of cost is that going to cost us in Italy, that financing of that 2500-man housing?

General AHEARN. Sir, at the moment, I don't have the number. I would prefer to give you that for the record.

Mr. BILBRAY. All right, could you make that available.

[The following information was received for the record:]

HOUSING COST CROTONE

NATO has agreed to prefinance construction of 2507 family housing units at a cost of 47,408,000 Infrastructure Accounting Units (IAU)—$180,529,660 at 3.808 $/IAU—to be reimbursed over a period of 10 years. This prefinancing arrangement will be interest free and inflation free; however, the dollar cost will be subject to fluctuations in the exchange rate.

By our analysis, the cost of housing service members at Crotone AB, Italy will exceed the cost of housing at Torrejon AB, Spain by $18,339,941 over the 10 year reimbursement period. Beyond these 10 years, we project a rapid payback because the construction cost will be fully amortized and only operations and maintenance costs will be incurred. As a result, we estimate a cumulative savings of $163,588,767 over 20 years.

Mr. BILBRAY. Have those agreements already been signed and are they set in concrete or are they just in the formation stage right now?

General AHEARN. Those are agreements signed in NATO, as the outcome of the NATO secretarial agreements.

Mr. BILBRAY. When is the 401st supposed to go to Italy?

General AHEARN. Sir, we have about 3 years from the time the Cortes ratifies the agreement. The movement of the 401st has 3 years to—we have 3 years to complete it once the Cortes, the legislature of Spain, approves the agreement. We anticipate that approval in late spring.

Mr. DICKINSON. General, it is my recollection—our committee was over there 18 months ago—that they would donate—the Italians would donate the land. We didn't have to buy that; is that correct?

General AHEARN. That is true, yes, sir.

Mr. DICKINSON. The infrastructure, the housing and so forth, was supposed to be NATO-financed. Of course, NATO doesn't finance everything that we require for our quality of life for our people onboard. Are we going to wait now for NATO to approve the funding, to come forward with that before we break ground and go forward?

General AHEARN. Mr. Dickinson, NATO has approved the funding, and, as a matter of fact, they have approved everything but about $12 million of MWR, so the notion is to rebuild a rear staging area base similar to the one we have at Torrejon at Crotone, Italy.

Mr. DICKINSON. OK. So then the permission of the Italians is the only thing holding us up and it is not—historically NATO has been very late in coming forward—slow coming forward with their infrastructure funding, but that money is already there now before we even break ground.

General AHEARN. Indeed, it is, sir. They have been very forthcoming with that.

Mr. DICKINSON. That is very refreshing, too.

Mr. BILBRAY. It is my understanding, though, again, as the gentleman, Mr. Dickinson, has stated, when you say they are coming forward with the financing, they are coming forward with the loan to build it and we repay that loan. Is that correct?

General AHEARN. Sir, just for family housing. The remainder—all of the infrastructure, all of the land and all of the facilities that are required to relocate the flying wing are financed by the member nations of NATO.

Mr. BILBRAY. When you say financed again, they are paying their share of the load.

General AHEARN. Yes, sir, in accordance with the model of contribution that each country makes to the NATO infrastructure program.

Mr. **Bilbray**. But as for the housing, if that costs $100 million—that is maybe high—I don't know if that is high or low—that they will then put a loan on that at a certain percentage of interest—no interest?

General **Ahearn**. Sir, what they will do is they have agreed to prefinance the capital required to construct and we have agreed to repay, interest-free, over a period of about 10 years the capital that was prefinanced.

Mr. **Bilbray**. All right.

Mrs. **Schroeder**. Thank you.

Congressman Ravenel.

Mr. **Ravenel**. Thank you, Madam Chairwoman.

General Offringa, those leases that you all have entered into in Germany with the German public where our people go ahead and lease and they forfeit their housing allowances, those leases, are they for the same term as the folks who are going to be in them? I mean, if we at some time, hopefully in the very near future, pull out of Germany, are we going to be stuck with some long-term leases to pay?

General **Offringa**. No, sir. The leases in the Government rental housing program are for the length of the individual's tour. So if he is there for 3 years, it would be a 3-year lease, which I think is one of the advantages of the program because it gives us flexibility in our housing stock so that we would not be stuck with long-term leases.

Mr. **Ravenel**. I see. Thank you, sir, that is very good.

Admiral Montoya, do you all feel that you have a deficit of housing in the Charleston area?

Admiral **Montoya**. I believe we do, but I don't have that number at my fingertips, Mr. Ravenel, but I can get it for you.

Mr. **Ravenel**. The reason I ask the question is that I am just wondering what criteria do you use to arrive at the fact that you do have a deficit—the housing market and rental housing market in Charleston for the last couple of years has been very soft. We have had an overbuilt situation down there and apparently there is an over-abundance of housing owned in the private sector for lease and rent.

I had not heard of any problems from the Navy down there.

Admiral **Montoya**. My current figures that are handed to me is that we have a deficit in the junior enlisted community of 583. That is for E-1 to E-3, the lowest paid individuals. For the senior petty officers it is 917, and only 25 in the officer category.

That doesn't surprise me. That generally is the pattern. We base our deficit on actual surveys and we include in our survey cost, condition of the facility, the types of facilities that people are renting and then distance from work. So somebody may be, for example, in a house he or she can afford, but they are having to drive over an hour or an hour and a half, during their go-to-work times. We would call that inadequate housing from a quality-of-life perspective.

It is a survey that includes a number of factors. As I say, Charleston shows 1525, primarily in the enlisted area.

Mr. **Ravenel**. What would be the average housing allowance for a noncommissioned officer?

Admiral MONTOYA. I am going to have to guess that it would be somewhere in the $700 a month range, including their extra allowances.

Mr. RAVENEL. You see, that is far and above the going rate for housing down there.

Admiral MONTOYA. If you rent a unit that is 25 percent less square footage than the standard that we would want for that person, it would be another factor in the survey. There are some apartment units, for example, that you can get in some of our cities, where we put our people into a 700-square-foot piece of real estate when maybe our DOD standard would be 1100-1150 square feet. Size would enter into the equation also, not just cost, Mr. Ravenel.

Mr. RAVENEL. The 1350 to 1500 square feet down there now, an apartment or a condo or a townhouse, isn't it general in the north area—I know you are well familiar with——

Admiral MONTOYA. Yes, sir.

Mr. RAVENEL. Run you around four and a quarter to $500?

Admiral MONTOYA. Without knowing any more, that would certainly fall in the adequate category, yes, sir.

Mr. RAVENEL. How about the lower enlisted grades? What would you say that the average housing allowance would be there?

Admiral MONTOYA. The housing allowance without VHA, for the E-1 starts at $268 a month and then for the E-9 goes up to $500 a month. Now, you add VHA on top of that and that will run $100 or $200, depending on the location. For the E-9—I mentioned a while ago, I said it was $700. That is probably the maximum with VHA. The basic housing allowance for an E-9 is $500.

For an admiral in Charleston, his housing allowance is $754 a month.

Mr. RAVENEL. Of course, you don't have any problem with the admirals.

Admiral MONTOYA. Regarding the officers we seem to have no problem there, and generally speaking, the officers are doing much better. That is why we have not programmed for years and don't plan to program housing for military officers in any of our areas.

Mr. RAVENEL. You all don't have any new housing programmed down there?

Admiral MONTOYA. No, sir. No, sir, we don't.

Mr. RAVENEL. You don't have a real problem in our area.

Admiral MONTOYA. Comparing Charleston to San Diego or San Francisco, I would have to categorize it as a non-problem.

Mr. RAVENEL. Thank you.

Mrs. SCHROEDER. Congressman Hutto.

Mr. HUTTO. Thank you, Madam Chairwoman.

Admiral Montoya, is there any Navy housing planned for the Gulf Coast homeporting or is that all private sector?

Admiral MONTOYA. At the present time, we are contemplating that the private sector will provide all of our needs in the Gulf Coast, Mr. Hutto.

Mr. HUTTO. What is the, in your view, and any of you can answer this, the best way or method of providing family housing?

Admiral MONTOYA. From the Navy's perspective I frankly prefer military construction housing if we can find land.

Mr. HUTTO. If the land is available.

Admiral MONTOYA. If the land is available. We have a bit of a problem with that because we have to go out and buy it in many cases, as we are doing in the San Diego area. But setting that aside, my preference as an engineer and manager of houses, I would rather own them up front.

Mr. HUTTO. Do you think in the long run it is less expensive to the taxpayer to do it that way?

Admiral MONTOYA. Yes, sir.

Mr. HUTTO. Is the Air Force in agreement with that?

Mr. BOATRIGHT. I think we would like to add one thing. I think that we would prefer to use community housing, using the allowances to provide that housing. That is the most economical way for the Government to provide housing to our members. If we are going to acquire additional military family housing, we believe acquiring it on the installation and being the owner of the property is the best approach.

Mr. HUTTO. Any argument on the part of the Army?

General OFFRINGA. No, sir. I think if you do the economic analysis and you look at the long-term impacts in terms of maintainability, that definitely is the way to go. The fact is that some of the housing we have in our inventory is hundreds of years old and is still very good housing. But I would caveat that by saying that we really need all the tools, because, there are many places where construction is not or may not be the best solution.

I think that when we have the range of tools from construction to the use of the local economy to the various leasing authorities, we can then do the analysis that would determine what the best way for us to provide a service to the service member and also provide the best economic return to the taxpayer. So while I would prefer the construction, I would want to make sure that you give us as many tools as you possibly can so that we can do the best possible job for you.

Mr. HUTTO. General Ahearn, in discussing the housing in the Philippines, it looks like you are doing some good things or need to do a lot of good things to get the people on base and so on. Is any of this contingent upon our base agreement with the Philippines?

General AHEARN. Not contingent, sir. Our budgeting approach and our focus on delivery is that we know full well this year the base rights agreements will be in again. The negotiations will begin again. Some time will be required to hammer out that agreement.

We believe that our first priority is to safeguard our people, to give them security and safety. We have for far too long been at Clark and our people have been subject to security violations on a daily, weekly basis over there and it is time to get them on base.

So we have strong focus to continue to plan and to deliver the housing to safeguard our people.

Mr. HUTTO. In view of some of the happenings there, I suspect that you will get pretty good support.

General AHEARN. Yes, sir, I am very grateful for the support that this particular subcommittee has given us. It has been very meaningful.

I might comment about the delivery system that you had asked about.

Mr. **Hutto**. All right.

General **Ahearn**. I would underscore General Offringa's observation that we need all avenues for not only the local areas change, but so do circumstances change. We have real budget limitations. Sometimes our objective is clearly to deliver. We have priorities to fulfill and sometimes the best delivery technique is a balanced approach to delivery through leasing and through new construction through MilCon.

So it has given us overseas and at home a capability that heretofore didn't exist. 801 gives us an opportunity to deliver, given the budget constraints that we have. We think that is terribly important. I would comment that I think that mortgage financing of new and renovation would give us that delivery capability that does not exist today.

Thank you.

Mr. **Hutto**. Thank you.

Mrs. **Schroeder**. Congressman Ortiz.

Mr. **Ortiz**. I yield to the gentleman.

Mr. **Dickinson**. I just wanted to follow up on the statement that you made, General, and ask both you and Admiral Montoya, when this committee was in the Philippines 18 months, 2 years ago, we held a town meeting, and you probably remember hearing about that because the number one complaint of the dependents who came were not the terrorist act that had just recently killed people before we got there, but it was the assault—and the violations of the security that you alluded to, even to the extent where they were going out and hiring neighborhood watches to give them protection.

We learned that under the lease agreements, we couldn't do a darned thing about the people who came on the base, except turn them over to the Philippine authorities that didn't do a damned thing except turn them loose and they were out on the street again the next day. It is just a revolving door. It was a subject of great frustration to our security police, to our people there. They said they couldn't protect themselves and the Filipinos would not protect them either, in effect.

So I communicated with Secretary Shultz, and this committee did, as well as the DOD, and urged that they put something into the negotiations for the next treaty round to ensure that they would live up to their obligation to protect our citizens against the theft and the burglaries and so forth.

You say that the negotiations are ongoing now. What has been done to put more teeth into—or give more encouragement to the Philippine Government to protect our people there? You say we want to get them off the economy and onto the base; that is good. They put up a chain-link fence and then they stole the damned fence. They stole a fire engine off base.

So it is tough to do that if, when you catch them, they can't do anything about it. Can you give us a little discussion and background as to what has been done now as to our dealings with the Philippine Government to give us a little more protection?

General **Ahearn**. The first thing I have to do, Mr. Dickinson, is address the fence.

We did take down the chain-link fence and we have built a masonry fence with bamboo reinforcements—rather than steel—so that the inhabitants wouldn't take the wall apart and steal the steel.

Mr. Dickinson. You know what I am talking about.

General Ahearn. Indeed. Your recollection is right on the numbers. It is about what goes on there. But we built a wall around the air base, all around the air base and we have brought in another squadron of security police, to include a squadron of Filipino security police, to help us secure.

Believe me, the security violations on base are way down. So that approach has been a cooperative approach. We haven't seen much change in the courts, in the Filipino Government, in the local governments, so to size it, we have protected ourselves, but I really don't see a significant behavioral change off the base.

Mr. Dickinson. How are you coming on Clark—I mean, on Subic?

Admiral Montoya. I think that my story would be the same. I am not privy to the negotiations that if there is anything specifically going on in this area, but we do have our own guards where it is appropriate, and we do hire professional guards. I think that today it is a little better than it has been in recent past.

We are concerned right now a bit because there are some union difficulties going on in the Philippines that are of some concern to us. It is a very precarious balance that we have to carry on every day as to how well we get along with our own guards, if you will. So it is still difficult, but I don't think at the moment, that is a major problem.

We are trying to get people on base also at Subic Bay, Mr. Dickinson.

Mr. Dickinson. You had over half living off-base when we were there.

General Ahearn. We still do, yes, sir.

Mr. Dickinson. Thank you for yielding.

Mr. Ortiz. Thank you, Madam Chairwoman.

I would like to ask a question now, going back to what Mr. Ravenel and my good friend, Dave Martin, on their 3000 people off base now. What percentage of those 3000 are enlisted men? Do you have any idea?

General Ahearn. Sir, 80-85 percent.

Mr. Ortiz. Eighty- to 85 percent. This is——

General Ahearn. We have an equal opportunity by grade structure for on-base and housing and the ratio of housing occupants is about 80 percent enlisted and 20 percent officer.

Mr. Ortiz. Would this hold true to the same thing for the Army and the Navy?

Admiral Montoya. The great majority would be enlisted in our case, too, Mr. Ortiz.

Mr. Ortiz. I am going to address a question to Admiral Montoya, since my colleagues have already asked good questions. I am going to go back to my district.

I am a little concerned about the current condition of the quarters for the—as you are well aware, we have a commanding officer for the wing and then a base commander. The wing commander has a house on base, but the post commander—what they did in Kingsville, he is right in there with all the troops. They converted temporary housing into what is now permanent, and for the past 7 years I have been here, we have been asking to see if they could provide housing for the post commander on base.

It is $140,000 to build the home. I think what we have there in Kingsville is a double standard, because we have two gentlemen of the same rank, one is a wing commander, the other is a post commander, but one lives on base and the other one is—he has to entertain the people and the conditions of the house is now not adequate.

How are we going to provide $140,000, Admiral Montoya, to maybe construct a home for the post commander there?

Admiral **Montoya**. That is a very difficult question to answer, Mr. Ortiz. I guess maybe those of us in Washington who live all over town in private houses get sort of calloused when we are dealing with that kind of situation. That request came to our table here in Washington 3 or 4 years ago and when we measured that request against the need for constructing more enlisted housing, that one died very quickly because though he is not on base, he is right near the base. Kingsville is a small community with easy access.

I think what you have summarized is recognized, but it, in the Navy, hasn't reached the level of priority to fund it. We have some empathy for him, but I guess not enough.

Mr. **Ortiz**. Let me come back. People who really want to enlist in the Navy in that area and who want to be post commanders are thinking twice about joining the Navy.

[Laughter.]

Admiral **Montoya**. That is a new—maybe I will make it a retention issue and maybe we can do better, Mr. Ortiz.

Mr. **Ortiz**. Madam Chairwoman, I don't have any further questions.

Thank you very much.

Mrs. **Schroeder**. Thank you very much.

Congressman Spence.

Mr. **Spence**. Just one quick question.

Admiral, I was just noting in here your interest in the Army's rental program in Europe and you mentioned something about a SHORE program that you had. Tell me a little bit about that.

Admiral **Montoya**. It is really similar to the Army's. We watch our brethren very closely, and we try to copy where their good ideas are applicable to us. We are taking a page from the Army program and are really going to test the very same idea at Holyloch. When we jointly find a particular single house that fits a member's needs and that we feel that is appropriate and adequate, we will step in and become the lessor and then become the landlord for the member essentially for the period of the lease.

Mr. **Spence**. That is Holyloch?

Admiral **Montoya**. Holyloch will be the place that we are going to test the Army's approach. We call our program SHORE. We wouldn't want to call it the same as the Army. That is the only difference.

Mr. **Spence**. Thank you, Madam Chairwoman.

Mrs. **Schroeder**. Thank you.

Congressman Dickinson, do you have more questions?

Mr. Dickinson. Always, Madam Chairwoman.

Admiral, I just thought I would share this with you. As long as I have been on this committee, I had always heard about Holyloch and basing our nuclear subs there. I imagined a very large and impressive naval installation there because it was so important to us. So I visited Holyloch and I was riding along and I said—and they were pointing out some things, and I said, "Where is the base?" They said, "We just went through it." I said, "Where are the houses?" "Well, that's one and, let's see, there's one over there." I didn't know that you had two tenders out there and the sub just up alongside and all the rest of it damned near is just public housing.

So I guess it is a pretty good idea that you take that pick-and-choose system that the Army uses because you really don't have a base, per se, unless things have changed. Am I still correct?

Admiral Montoya. You are still correct, sir. Your observation is still correct.

Mr. Dickinson. All right.

Let me get back to the Philippines. I am concerned about that.

You cannot put a fence all along the water front at Subic and then protect it against any incoming infiltrators for whatever purpose. The terrorist threat is minimal at the present time, I understand, but the infiltration is not necessarily minimal, even though we do have fast little mosquito-type boats and a pretty good security system, but if they come ashore and sink their little boats and go ashore and steal something—first they sink it. They fill it full of water and you can't see it as you drive by because it is on the bottom. Then they go ashore and they come off with anything, including a hot stove, I guess, they would steal anything, and then upright the boat and take off, and the security boat comes up to intercept, catch them. If they just throw it over the side, they don't catch them with anything in their hands and have to let them go.

Is that the way it is not, or do you know?

Admiral Montoya. I don't know.

Mr. Dickinson. Well, it was.

Admiral Montoya. That is a scheme I am not aware of, Mr. Dickinson.

Mr. Dickinson. They said you would be surprised what they dredge up offshore there. That was the thing that we were most impressed with, the lack of personal security of the families of the enlisted men that had to go and hire private guards. That worked pretty good because the Filipinos didn't have to be quite so gingerly in their treatment of perpetrators when they caught them as did our MPs. They got their attention a lot better.

Still, it is up to the courts to enforce the laws and there is just almost a hopeless case there. About the only recourse we have is to keep them off the base if we can, if they don't steal the fence.

So I hope we will continue to work at that and I would hope that part of our treaty negotiation is better relations with the Philippine Government, even though I realize, I think, they would have a little more—Mrs. Aquino has a little more on her plate right now than worrying about base security in face of her other problems there.

Let me ask the Marine Corps, General, if I may, we also stopped there on our trip through. Do you have any major problems at Okinawa now in terms of housing?

General DOWNS. As you are probably aware, Congressman Dickinson, the family housing on Okinawa is run by the Air Force. All family housing is under single-service management. There has been a major Japanese facilities improvement program initiative over the past 8 or 9 years to provide the quality family housing for all service members. This is ongoing and we are assigning people in an accompanied status in synchronization with availability of housing.

Mr. DICKINSON. If a Marine enlisted man has a complaint about his housing, is he free to go to the Air Force and complain?

General DOWNS. He certainly is. However, we would like to think that the leaders of the Marines in the unit that he or she is in would be the first source of help for them.

Mrs. SCHROEDER. Would the gentleman yield?

Mr. DICKINSON. Yes.

Mrs. SCHROEDER. What does "synchronization" mean? Does that mean there is no waiting list?

General DOWNS. No, it doesn't——

Mrs. SCHROEDER. That is what I feared. What is the waiting list in Okinawa?

General DOWNS. I can't answer that question for you. It varies with category. I best not attempt it. I will provide that for the record.

Mrs. SCHROEDER. OK.

[The following information was received for the record:]

As the central managers for all housing on Okinawa, the Air Force has provided information regarding the waiting list for Okinawa as of September 30, 1988 (the latest data available). That report reflects a total of 1,687 service members on the waiting list (488 officers and 1,199 enlisted). That total includes 344 marines awaiting housing (165 officers and 179 enlisted). This waiting list equates to a wait for housing by our marines of anywhere from 2 to 18 months depending on bedroom requirements and location

Mr. DICKINSON. One final question. Where do you have most of your unaccompanied tours now for the Marine Corps?

General DOWNS. Still, the most unaccompanied tours are in Okinawa and Iwakuni, Japan. In fact, practically all of them, but most of the marines who are over there on unaccompanied tours are on unit deployment cycles. They go to Okinawa or Iwakuni, Japan for periods of 6 months. Their families remain at their home station. At the end of the 6-month deployment, they return home.

The people that we are dealing with in terms of family housing on Okinawa are those that are in headquarters elements and support forces that actually provide the infrastructure necessary to support the unit deployment elements.

Mr. DICKINSON. You just about have to have—the enlisted man, in particular, you just about have to have an unaccompanied tour and live on base in Japan, don't you, because of the tremendous cost of living there?

General DOWNS. There are some that are still living in homes in the vicinity of Iwakuni or Okinawa. The amount of the family housing and overseas housing allowance is suitable for some of the homes. The bigger problem, perhaps, is the fact that the homes that are available in the local community are often inadequate in accordance with our standards, both in size and style of construction.

Mr. DICKINSON. One final question. When you get away from Tokyo itself, am I right in thinking that the cost of living is not nearly so disproportionate as around the Tokyo area, so that when we get up to——

General DOWNS. I suspect that is a correct statement, although it doesn't mean that the cost of living throughout Japan isn't substantial. The majority of marines in Japan, mainland Japan, are at Iwakuni, some distance from Tokyo. We do have a Marine barracks in another area that is not so far away, but we have no large concentration of marines in Tokyo.

Mr. DICKINSON. Thank you, Madam Chairwoman

Mrs. SCHROEDER. Congressman Montgomery.

Mr. MONTGOMERY. Thank you, Madam Chairwoman.

Madam Chairwoman, I apologize for being late. I didn't know how much family housing was in here for the Reserves, so I didn't get over here, even though I should have been here.

Mrs. SCHROEDER. We took them all out while you were gone.

[Laugher.]

Mr. MONTGOMERY. Yes. I have one question—I don't believe this has been asked—to the Army, about the 1991 budget where you request to include one family housing unit to be occupied by a general officer to be cited on a secure Italian military facility at a cost of $300,000. My question is, if the Italian Government, I believe, is providing the land, why would the cost of this house be so high?

General OFFRINGA. Sir, that house is being provided to vacate the apartment from which General Dossier was kidnapped, so we are primarily interested in getting a secure area. The cost is high because we have a 15 percent cost differential for construction in Italy. The support costs on the site that was provided to us by the Italians are higher than normal.

First, we have to demolish some old buildings there and provide site improvements at a cost of about $16,000, and the extension of the utilities, the electric and the water and sewer, will run us about $38,000. The actual cost of the quarters would come down to about $190,000, which, while that is still high, we feel, because of the security requirements, that——

Mr. MONTGOMERY. How many bedrooms and baths is that type of house?

General OFFRINGA. Three thousand square feet, sir, would probably be a four-bedroom house with two baths.

Mr. MONTGOMERY. Thank you.

Mrs. SCHROEDER. Thank you.

One of the things that no one mentioned that we are getting a lot of questions about and a lot of pressure about is increasing the statutory square-foot limitation that is now on for general officers. Are you getting lobbied for that, too? You are? Does anybody want to say anything about it? All right, go for it. Step right up to the mike.

Admiral MONTOYA. As the Navy's engineer, I visit lots of places and take lots of questions and certainly this issue isn't the number one issue on people's minds. But, when you go visit in the evening, you do get shown small kitchens, very small entertainment areas when you are talking about a 21-square-foot house. We put a significant burden on our general and flag officers to represent us in the community, invite the community, share with the community. A 21-square-foot house is just woefully inadequate——

Mrs. SCHROEDER. It has to be bigger than 21 square feet.

[Laughter.]

Admiral MONTOYA. Twenty-one hundred square feet.

Mrs. SCHROEDER. All right. My goodness, they would be living in phone booths. The Marines may be living in that, but——

Admiral MONTOYA. It just doesn't provide the facility commensurate with the job that they have. So I see it as not a matter of convenience, but a matter of matching that with the individual's duties.

Mrs. SCHROEDER. So how much would you recommend we increase it?

Admiral MONTOYA. I think 3000 square feet. We could design a very nice house for that size, not only for providing room for overnight guests, but providing an appropriate entertainment area.

Mrs. SCHROEDER. Anybody else want to——

General AHEARN. Three thousand square feet, ma'am.

Mrs. SCHROEDER. You are for that.

Mr. ORTIZ. Madam Chairwoman, we can try this one for 3000 in Kingsville and see how it works out.

[Laughter.]

Mrs. SCHROEDER. I did this for you, Congressman Ortiz, because I wanted to see how it came out generically. It is discrimination against Texas. We knew it.

General AHEARN. Ma'am, 3000 square feet is really not a whole lot of square feet. What the basic home—a four-bedroom home is about 2100 square feet for people of the responsibilities that we are talking about. Here we are asking for a home study that—the home study has a fault in it. The home study has a communications center in it. The task of the man who lives in there is to live a 24-hour mission, and he is expected to perform and to have tools and equipment, and a family house is one of the tools and equipment elements of his bandoleer. He is also expected to entertain.

Mrs. SCHROEDER. When did they last change? When was it increased last? Does anyone know? I take it that the Army agrees on 3000 and my guess is the Marines don't consider that a priority because they are always wonderful, right? You are happy with your 2100 square foot.

General DOWNS. We haven't built a Marine general officer's house in some time——

Mrs. SCHROEDER. I know——

General DOWNS. So it is a rather moot point, but——

Mrs. SCHROEDER. It is not exactly relevant.

General DOWNS. I suspect this 2100 square feet wasn't something that something was raised to. I suspect it was a limit placed so that people wouldn't build beyond it. I don't think we raised it to the 2100 square feet limit, but, in fact, established a ceiling.

Mrs. SCHROEDER. A ceiling. I think you are right.

General **Offringa**. Ma'am, that limit is quite old. I believe it was 1948 when that was established in law and 1956 when it was codified in 10 U.S. code. Since that time, a lot of things have changed in terms of what we do with our general officers and what we require them to do.

Mrs. **Schroeder**. How would you prioritize this, though? I will start it out. Everybody testified about the real crunch that is going on and how, with the budget crunch on top of the already shortage, it is a very discouraging profile. If we have to select between putting money that way or increasing the square footage for general officers, we are put in a real bad position here.

General **Offringa**. I think I would look at that in terms of providing an authority that we would then be able to either budget against or not budget against. I would side with the Navy, that if it is a choice between housing for enlisted people and building a house for a general officer to 3000 square feet, my tendency would be to come down on the side of providing the enlisted housing.

Mr. **Martin**. Would the chairwoman yield to me for a minute?

Mrs. **Schroeder**. Certainly.

Mr. **Martin**. I would just like to state what I understand to be the historical application of this square footage for officers quarters. It has gotten so much ink in the last couple of years.

I think at the outset, when you would build a bunch of housing, if there was—the CO's house was there—there was no limitation at all on the square footage and, hence, they might have been substantially bigger than even 3000 square feet. Then, sometime back in the 1950s, they said, "Wait a minute; we're taking a little heat for this so we are going to put a limitation of 2100 square feet."

Then, every year since then, for the last 25 or 30 years, as other facilities are built, the law stays the same, but there is an exception for that one at Fort Schmidt and——

Mrs. **Schroeder**. But not over here.

Mr. **Martin**. Or Corpus Christi is always the exception. Then it came up big on the scope in somebody's newspaper report that they were doing a 3000 square footage and that is where we got to the 2100 limitation and the question of who is going to walk the plank. Who is going to be the real hero on this? Is it going to be Congress? I doubt it. So we said, why don't you guys give us a report and I understand, after a lot—not you guys, but the Department of Defense—after a lot of hassle, we have gotten some kind of report.

So it wasn't that we all of a sudden expanded how much more footage a general officer would need in a CINC command or something like that. What we did was put an artificial limitation on those houses unless you could get an exception.

Is that correct?

General **Offringa**. That is correct.

Mrs. **Schroeder**. But I just understand from counsel that we have not gotten an above-the-table report from OSD.

Mr. **Martin**. That was a bootleg operation?

Mrs. **Schroeder**. We are waiting for the above-the-table report which hasn't quite come yet.

But as you were saying, enlisted housing would be your priority if you really got caught in that crunch? Is that correct? Is there anybody who would disagree with that?

General **Ahearn**. I think that, Madam Chairwoman, is true in the main, but there comes a time when there are some requirements that need to be fulfilled. For instance, we have a replacement requirement for 11 houses. It is time to replace some old, worn-out houses because the alternative is bad.

Mrs. **Schroeder**. Do you ever do general officer housings under Section 801?

General **Ahearn**. I think we could. Have we?

Mrs. **Schroeder**. No one has done it? But that would be a way. Doesn't that get you out of the 2100-square-foot—it would be the same under 801?

General **Ahearn**. Yes, ma'am.

Admiral **Montoya**. The example that I would give you when we would come in for a 3000-square-foot house is the base at Bangor, Washington. There, you are building a whole new base and all new houses. You are sizing them according to rank and so forth. We would have, I think, asked for a 3000-square-foot house. We did not. So that flag officer at Bangor who has a submarine group is in a 2100-square-foot house which is woefully inadequate.

Kings Bay would be another example where we would have asked for the full amount.

Mrs. **Schroeder**. I have expended my time.

Congressman Martin.

Mr. **Martin**. Just one other question to General Ahearn and Admiral Montoya. If I understand, there is a distinct difference in the situation at Subic as opposed to Clark, perhaps because of the ship repair facility or whatever and the very strong support outside of Subic for taking good care of the Navy, as opposed maybe to a different political circumstance in and around Clark.

The last time I was through there, we left Clark and went over to Subic and there was an incredible difference as far as the security problems were concerned, in part, perhaps, because of all the technicians, Filipinos working on the base and also, there was a Marine colonel there who I wanted very much to run for mayor of the City of New York. I mean, you talk about crime stoppers and tough guy, he—I did try to recruit him and he said, no. He said, there was a robbery last week and he is going to solve it before he comes home.

But that situation has not changed at Subic, has it? It has not deteriorated to the point where we have——

Admiral **Montoya**. No, it has not. I was through there in January and crime or intrusion was not high on their list. They are very conscious of it, but more of the guerrilla activity, as opposed to——

Mr. **Martin**. Pilferage.

Admiral **Montoya**. Pilferage.

Mr. **Martin**. Thank you very much.

Mrs. **Schroeder**. Congressman Ravenel.

Mr. **Ravenel**. Good-bye.

Mrs. **Schroeder**. Good-bye, all right.

Congressman Ortiz.

Mr. **Ortiz**. I don't have any questions. I haven't given up yet, but I might—with your permission, I would like to submit some—I was at the base the other day. In fact, I have been there several times and I would like for the staff and you to look at some information that I have.

Mrs. SCHROEDER. Sure.

Mr. ORTIZ. If I may.

Mrs. SCHROEDER. We would be very happy to have you submit.

Mr. ORTIZ. Thank you, Madam Chairwoman.

Mrs. SCHROEDER. We don't want Texas to be discriminated against. Besides, base housing in Texas ought to be bigger than anywhere else, right?

Mr. ORTIZ. Right.

Mrs. SCHROEDER. Congressman Spence.

Mr. SPENCE. No, ma'am, I don't have any questions.

Mrs. SCHROEDER. Congressman Montgomery.

Mr. MONTGOMERY. No, Madam Chairwoman.

Mrs. SCHROEDER. Congressman Skelton.

Mr. SKELTON. I have been waiting all afternoon for this.

[Laughter.]

Mr. SKELTON. General Offringa, may I ask this question? I was in Panama. This is a little bit off family housing, but this might be the proper forum to ask you.

I was in Panama in August, early September, and I was apprised of the housing problem down there, particularly for the single young soldiers. They are trying to move them on base, and as we know, it is a less than pleasant place to be.

There was a proposal made down there to me concerning some mobile type—I don't know what else to call them—housing for—mobile homes—for the young soldiers. Are you familiar with that?

If you are familiar with it, are you recommending that or where are we on this, General?

General OFFRINGA. If there was a proposal made by the command to use—I think they call them relocatable houses—they are the kind that you can put up in a modular way, put families in there, yes, sir.

That was wrapped up in a study that looked also at the tour lengths and cutting back on tour lengths and not sending families down there unless we had adequate housing for them. In November of 1988, we queried the command to determine whether or not they wanted us to proceed with that or not. They evaluated the situation based upon the change in the tour lengths and came back and said, no, that they did not want the relocateables; that they would prefer to move the families back on post, as they attritted down the numbers.

You asked me, I think, in the last hearing——

Mr. SKELTON. Yes.

General OFFRINGA. That question. I went back to Panama and I said, "Are you sure?" They came back and say, "Yes, we are down to 400 people now and we feel that within the next 4 to 6 months, that we will have everybody on post and"——

Mr. SKELTON. Would you do me a favor and send me any requests or documentation from them that withdraws that request? I would appreciate it.

General OFFRINGA. I would be happy to do that, sir.

Mr. SKELTON. Thank you.

Mrs. Schroeder. I just want to thank you all very much for being here and your patience. I think any further guidance that you have for the committee as we look at 801 versus Capehart versus everything else—and as we all struggle with declining budgets and increasing need, hopefully we can continue to all work together.

We really appreciate your being here, and with that, unless anyone has anything else, we adjourn the hearing. Thank you.

[Whereupon, at 3:45 p.m., the subcommittee was adjourned, to reconvene subject to the call of the Chair.]

[The following questions were submitted to be answered for the record:]

PANAMA HOUSING

Following is the text of a message received by Headquarters, Department of the Army (HQDA), Office of the Assistant Chief of Engineers, from the Commander of US Army, South (USARSO), Fort Clayton, Panama, dated 1600 hours, 13 October 1988:

"Subject: Army Family Housing (AFH) Shortfall in Republic of Panama (ROP)

1. The recent tour length changes for Panama are expected to reduce the requirement for Family Housing. The full impact will not be realized for several months. However, considering the reduced need and time required to program construction, we do not wish to pursue the relocatable housing option at this time.
2. As treaty implementation planning progresses, there may be a need to re-explore the location and quantities of our family housing assets. Should such requirements develop, we will coordinate closely with your office.
3. Appreciate your offer to work this issue on our behalf. BT"

ARMY FAMILY HOUSING

Mrs. Schroeder. If additional funds were available to finance your Family Housing budget, how much additional could you reasonably execute? What programs or projects would you fund with additional resources?

General Offringa. If additional funds were available in the Army Family Housing budget, we could execute $300 million. We would fund our revitalization program as follows:

1. $200 million for major maintenance and repair projects.
2. $20 million to upgrade the remaining 440 substandard housing units located at stateside installations.
3. $80 million for whole-house renewals at various locations.

Mrs. Schroeder. If we were to pass a test program for installment purchase for a maximum of 1,000 units, provide for the record the following information: Location(s), number of units, cost of new construction, estimated annual cost of installment purchase.

General Offringa. Information on installment purchase test program follows:

Location(s)	No. of units	Cost of New Construction
Oahu, Hawaii (for all Services)	1,000	$100,000,000

Estimated Annual Cost of Installment Purchase
(over a 30-year amortization period) ($000)

	FY 91	FY 92	FY 93	FY 94
Principal/interest @ 9.5% interest for 360 months 1/3 year in FY 91; full year thereafter	3,364	10,092	10,092	10,092
Operations expenses	583	1,800	1,844	1,886
Utilities expenses	596	1,840	1,884	1,927
Maintenance & repair expenses	574	1,772	1,814	1,855
Total Estimated Annual Cost	5,117	15,504	15,634	15,760

The increase in operations, utilities, and maintenance and repair expenses after FY 92 is inflation.

Mrs. Schroeder. Provide for the record the Army's family housing deficit by location at the end of fiscal year 1988.

General Offringa. The total family housing programmable deficit at the end of fiscal year 1988 was 7,116. The locations are listed below. Many of these deficits are currently being revalidated. All are subject to a final verification before action is taken to acquire new assets.

Installation	Programmable Deficit*
Ft. A. P. Hill	25
Ft. Devens, MA	337
Ft. Drum, NY	201
Ft. Indiantown Gap, PA	43
Ft. Irwin, CA	456
Ft. Leavenworth, KS	476
Ft. McCoy, WI	89
Ft. Pickett, VA	14
Ft. Sheridan, IL**	66
Ft. Story, VA	166
Ft. Wainwright, AK	167
Oahu Hsg Ofc, HI	927
West Point, NY	158
CONUS TOTAL	3,125
Babenhausen, FRG	79
Bamberg, FRG	65
Baumholder, FRG	553
Bayreuth, FRG	120
Bremerhaven, FRG	391
Crailsheim, FRG	109
Dexheim, FRG	206
Hohenfels, FRG	222
Nuernberg, FRG	69
Rheinberg, FRG	47
Vilseck, FRG	291
Livorno, IT	91
SHAPE, BE	105
AFCENT, NL	339
Panama	1,304
FOREIGN TOTAL	3,991

*Programmable deficit is 90 percent of the total family housing requirement; overseas is at 90 percent for leasing and 80 percent for new construction. Exceptions to program at 100 percent of the requirement were approved for Light Infantry Division (Forts Drum, Wainwright, and Ord), Model Installation Program (Forts Hood and Polk, and Oahu, Hawaii), and remote locations (Dugway Proving Ground and Sierra Army Depot).

**Will be deleted due to base closure.

Mrs. Schroeder. General Offringa, the Army has used the 801 domestic lease program more than any other service. Would you comment on the program from the Army perspective as to quality, cost effectiveness, and satisfaction?

General Offringa. As the largest service, the Army had difficulty satisfying requirements strictly through the military construction program. We have moved rapidly into new cost effective acquisition programs including the Section 801 Build-to-Lease program. Each leasing proposal requires economic analysis prior to commitment. The leasing method shifts the responsibility for financing to a third party; allows for expedient acquisition; "privatizes" some of our housing; is not affected by construction budget changes; and satisfies the housing needs of our soldiers and their families.

Overall, the quality of housing units acquired through the program has been good. Cost effectiveness is acceptable especially in situations where land is inexpensive. The Army and soldiers are satisfied with the Section 801 leasing program as a viable and responsive method of acquiring suitable housing. Suitable housing is a primary key toward successful accomplishment of the Army mission.

Mrs. Schroeder. In the fiscal year 1990 budget request, 1.2 percent of the total Army family housing budget is dedicated to new construction and 22 percent is dedicated to leased units. The difference is even more dramatic in the fiscal year 1991 request with less than one percent dedicated to new construction and 28 percent dedicated to lease costs. Does it concern you that an increasing amount of the military construction budget is being dedicated to lease costs and fewer dollars to construction?

General Offringa. I would like to have more dollars for the new construction program. However, I am not overly concerned about the number of leases because the lease program has:

- provided high quality housing at a competitive cost;
- provided a cure for immediate housing requirements;
- reduced large housing deficits; and
- provided adequate housing in areas where the housing allowance is not sufficient for private sector leasing.

The above have been accomplished with minimal up-front capital investment resulting in maximum immediate benefits. Also, the budget figures, to a great extent, reflect 801 and Government Rental Housing Program (GRHP), which were already discussed. At Fort Hood the leased units are temporary housing for personnel associated with training of AH-64 attack helicopter units. The leases at Fort Drum have given interim relief pending completion of Section 801 (Build-to-Lease) housing. Foreign leases have provided housing where there are severe housing shortages and leasing is in the best interest of the government. Leases at Fort Ord have provided relief to military families because private sector rental costs are prohibitive, especially for enlisted families. Feedback from the families affected has shown a high degree of satisfaction.

Mrs. Schroeder. What are the advantages and disadvantages of leasing programs versus construction and ownership?

General Offringa. The major advantages of the leasing program are:

- Reduces the amount of government investment required for military construction;
- Relieves the Army of most of the direct costs involved in ownership;
- Provides immediate, adequate housing for the soldiers where sufficient private assets are not available, and
- Reduces large family housing deficits.

The major disadvantages are:

- There is no long term return on the monies invested since title remains with the lessor, and
- Contractual obligations are for an extended period of time, requiring appropriations to meet previously established commitments.

Mrs. Schroeder. Notwithstanding OMB's position on the Capehart plan, what is your personal opinion of such a program?

General Offringa. The Capehart Housing Act was enacted in 1955 as an amendment to the National Housing Act. It extended the Wherry program and established a "build-to-buy" concept. We believe this is a good program and smart business. This plan provides the flexibility to bring on-line a maximum number of housing units, with minimal investment. Personally, I agree with any cost-effective program which provides housing for soldiers and families who are now inadequately housed or involuntarily separated.

Mrs. Schroeder. Identify the areas where the housing deficit is the greatest and tell us how you propose to meet the requirement in the out years.

General Offringa. The Army location with the greatest deficit is the Oahu Consolidated Family Housing Office, Hawaii. Other locations are currently being surveyed to determine the extent of their deficits. If the local economy is not providing a sufficient amount of affordable housing, all possible acquisition methods to satisfy these deficits are analyzed. We actively pursue Army Family Housing construction, Section 801, Section 802, Build-to-Lease, and other third party initiatives to satisfy the housing deficits worldwide.

Mrs. Schroeder. Has the Army contracted for any housing under the 802 rental guarantee program? If not, why? What are the problems associated with the program?

General Offringa. The Army has not been successful in contracting for Section 802 housing in the past. The primary reason for the lack of success in this program is that it was tried in areas with low variable housing allowance (VHA) rates. The soldiers for which the housing was targeted in these areas do not receive enough pay and allowances to pay the rents a developer would require to produce a profitable project. The program has been modified recently and we are initiating efforts to obtain Section 802 housing (e.g., Oahu, Hawaii) where high VHA rates will make the program more economically feasible and attractive to developers.

Mrs. Schroeder. The Army is sponsoring a new Government Rental Housing Program in Europe. Please explain why this program is necessary and how it will be funded.

General Offringa. The Government Rental Housing Program (GRHP) is necessary because of the high cost and low availability of suitable off-post housing in Germany. The program reduces the cost of off-post housing for the soldier and for the government. Our "bargaining power" in the local housing market has allowed us to:

- seek and obtain more suitable housing with amenities comparable to on-post quarters at a reduced cost, i.e., kitchen cabinets, wardrobes and light fixtures;
- eliminate high initial occupancy costs for the soldier (deposits, etc.);
- increase concurrent travel opportunities for soldiers and families; and
- reduce Temporary Lodging Allowance (TLA) costs (the family is housed sooner.)

Funds were transferred from the Military Personnel Account (MPA) to the Army Family Housing (AFH) Account to cover leasing costs.

RELOCATION OF FUNCTIONS LOCATED AT TORREJON, AIR BASE, SPAIN

House of Representatives,
Committee on Armed Services,
Military Installations and
Facilities Subcommittee,
Washington, DC, Wednesday, April 12, 1989.

The subcommittee met, pursuant to call, at 10:15 a.m., in room 2212, Rayburn House Office Building, Hon. Patricia Schroeder, [chairwoman of the subcommittee] presiding.

STATEMENT OF HON. PATRICIA SCHROEDER, A REPRESENTATIVE FROM COLORADO, CHAIRWOMAN, MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

Mrs. **Schroeder**. We thank everyone for coming and we apologize for the late start. What can never tell what goes on over there, but we've had our morning drill of running everyone to the floor.

Today's hearing is a very important one and it is on the planned construction by NATO of a new base at Crotone, Italy. This base is for the 401st Tactical Fighter Wing that is now in Torrejon, near Madrid.

After a national referendum, the Spanish Government said they would not renew the provisions of our base rights concerning the 401st. Therefore, we are in this position of having to do something within 3 years, and that is what we are going to be talking about today.

One of the things I hope someone mentions is why the referendum was interpreted to mean the 401st had to leave, but not 16th Air Force and not some of the other things. I mean, was the referendum that specifically directed? I think there are a lot of other questions we have as we look at the interpretation of what all that meant.

But I am going to put the rest of my opening statement in the record so we can get on with the testimony and let me now yield to Congressman Martin, from New York.

Prepared Statement of Hon. Patricia Schroeder

Today's hearing is on the planned construction by NATO of a new air base at Crotone, Italy. This base will accommodate the 401st Tactical Fighter Wing now located at Torrejon, near Madrid, Spain. Pursuant to a national referendum, the Spanish Government informed us that they would not renew provisions of our base rights agreement concerning the 401st when the agreement expired in May 1988. Our newly negotiated base rights agreement with Spain, which should be ratified by the Cortez soon, provides 3 years for us to get the 72 F-16's in the 401st TFW out of Torrejon.

The administration says that NATO's commitment to relocate the 401st from Torrejon to Crotone is an unprecedented and spectacular example of burdensharing. Crotone is not a warfighting facility, which is the general requirement for NATO Infrastructure funding, and Crotone is being built to replicate Torrejon, not just be minimal mission essential, another NATO limitation. Non-US NATO allies are picking up 72 percent of the cost or about $600 million.

Others are not so sure. When Defense Secretary Carlucci was pushing for NATO support, he threatened to withdraw the wing and transfer the planes to the reserves. If that was a viable option then, critics ask, why is it not one now? What do we gain by having the wing in Crotone? One thing we gain is a strong statement about the importance of the South Flank of NATO. Is such a statement worth the nearly $300 million that Crotone will cost the American taxpayer? We just spent between $100 and $200 million to build a fancy new base for GLCMs at Comiso, just a few miles to the west of Crotone. Today, Comiso sits unused with no mission in sight. Will Crotone be another Comiso?

I hope that the subcommittee will explore these and other important questions at today's hearing.

Mr. **Martin**. I thank the chairlady and initially, we want to apologize to the folks on the panel for the vote on the Journal. It is always a little bit disruptive and we get started about 20 minutes late.

I am very interested in this subject, not only as it relates to Spain and Italy, but other places around the world where we have bases and the right to be there is somewhat tenuous, whether it be Panama or the Philippines or wherever.

We look forward to hearing our first witness.

Thank you and I yield back.

Mrs. **Schroeder**. Thank you.

Our first witness this morning is the distinguished Ambassador, John Woodworth, who is the Deputy Assistant Secretary for European and NATO Policy at the Department of Defense. We are very happy to have you here, Ambassador Woodworth. The floor is yours.

STATEMENT OF JOHN A. WOODWORTH, AMBASSADOR, DEPUTY ASSISTANT SECRETARY FOR EUROPEAN AND NATO POLICY, DEPARTMENT OF DEFENSE

Ambassador **Woodworth**. Thank you very much, Madam Chairwoman, and members of the committee.

I do appreciate the opportunity to be here with you this morning and to address this subject. As you said, it is an important one and it is important that we, in the Executive Branch and the Members of Congress work closely together.

I have a statement which has been provided to the subcommittee in advance and I would like that, Madam Chair, to be submitted for the record.

Mrs. **Schroeder**. Without objection.

Ambassador **Woodworth**. I can proceed as you may wish. I can highlight some points from that statement or we can go directly to questions, whichever would be most useful to the committee.

Mrs. **Schroeder**. Why don't you just summarize a bit. As I say, I specifically would like to know a little more about the referendum that has triggered all of this. Then, where we are—if we could just do a summary of the statement, that would be fine.

Ambassador **Woodworth**. Let me be brief and just highlight a few of the main points from my statement.

As a result of the decision to remove the 401st Tactical Fighter Wing from Spain in 1987, then Secretary of Defense Carlucci advised NATO that we would bring the 72 aircraft back to the United States and retire the wing unless NATO could fund the relocation of the wing elsewhere in the southern region of NATO.

Our allies were concerned over the gap that would be created by the loss of this force in the southern region defense. NATO began to consider alternative solutions that would ensure the continued presence of this force in the area.

For both political and strategic reasons, we strongly supported NATO's efforts to find a way to maintain the forward deployment of the 401st in the southern region. Politically, this tactical fighter wing provides modern, flexible and immediately available military strength to the southern flank of NATO.

Maintaining the 401st as an in-place, forward-deployed force demonstrates the continuing U.S. commitment to defend the southern region and helps to preserve the bond between the southern region and the rest of NATO.

Overall, this deployment makes clear the strong coupling between the United States and NATO and unquestionably enhances alliance cohesion and solidarity.

Strategically, the forward basing of the 401st makes a powerful contribution to NATO's capabilities in the southern region. The 401st Tactical Fighter Wing is a multi-purpose force that can respond to a number of requirements.

The 72 F-16s in the wing can serve as attack and close air support aircraft or in an air defense role. Not based in Europe, this force would simply add to our reinforcement burden.

By being deployed, its immediate availability is ensured for effective defense in this region of the alliance.

I should note that this is the only U.S. fighter wing now in place in the southern region. Its return to CONUS would likely be viewed by our allies and adversaries alike as dramatically weakening the defense of this vital area.

Against this background, NATO Defense Ministers, in May of last year, invited Italy to host the 401st Wing. The Defense Ministers further agreed to provide for the purchase of land and the construction of facilities needed to support the relocation of the wing from Torrejon Air Base, Spain, to Crotone Air Base, Italy, with the exception of some welfare and recreational facilities.

The latter aside, this met the provisions of Section 123 of the fiscal year 1989 Military Construction Appropriation Act, which restricts the use of appropriated funds, with the exception of NATO infrastructure, in support of relocating the 401st Wing.

At their December, 1988, meeting, NATO Defense Ministers agreed to fund the NATO common-funded infrastructure program at a level providing continued full support for the priority requirements already identified by the NATO military commanders, and, at Secretary Carlucci's suggestion, provided additional funding to support construction and equipment requirements for the 401st.

Mr. MARTIN. Mr. Ambassador, could I ask you there, looking at the statement, what is that figure of how many millions of dollars?

Ambassador WOODWORTH. The 1204 MIAU? That is a NATO infrastructure accounting unit and it is equivalent to approximately three-point-some-odd dollars. It fluctuates. Three point eight now, so that is—in other words, that is approximately—well, 3.8 times that figure.

Mr. **Martin**. OK.

Ambassador **Woodworth**. Thus, adequate resources were ensured to continue modernization of such key requirements as NATO's Air Command and Control System, NATO's communications systems, key sustainability and force structure support projects and completion of the hardened shelters program and essential operational facilities for U.S. reinforcing aircraft, while also providing additional funds for the 401st.

This action marked an important and difficult decision taken by the alliance in recognition of the burdensharing issue and the need to ensure continued progress toward meeting and maintaining our joint security objectives.

Recently, as you know, we have sent letters to key congressional leaders outlining progress and costs associated with the move of the 401st. The costs fall into two general categories, those which support requirements of the 401st at Crotone and those required to transfer remaining U.S. units at Torrejon Air Base to other locations.

Once the 401st moves from Torrejon, significant cost savings will result from closing what would become an inefficient, small U.S. base.

In my statement, I have spelled out in more detail the breakdown of the costs and we can discuss that further in our questions.

Mrs. **Schroeder**. Terrific. We appreciate that.

Ambassador **Woodworth**. Let me just conclude, then, by saying that few of us could have imagined just 1 year ago how quickly and decisively NATO would react to help bolster alliance solidarity and preserve the key aspect of the U.S. defense commitment to NATO security.

Italy's decision to accept the 401st Tactical Fighter Wing and NATO's decision to fund the relocation from infrastructure resources remains a unique example of burdensharing and prevented the erosion of military capability in the southern region.

It is vital that this spirit of solidarity continue to reinforce mutual trust within the alliance. U.S. support of its end of the bargain on the 401st relocation is essential to the maintenance of NATO's defense posture in the southern region, as well as to the confidence of our allies in the U.S. commitment collective security.

The joint efforts of Congress and the Department of Defense are needed to ensure continuing progress on this important burdensharing undertaking. NATO is doing its part and it is essential that the U.S. carry forward its responsibility as well.

Thank you very much.

PREPARED STATEMENT OF JOHN A. WOODWORTH

Madam Chairwoman, members of the subcommittee: I am pleased to appear here today to discuss the 401st Tactical Fighter Wing relocation from Torrejon AB, Spain, to Crotone AB, Italy. The capability this wing provides is crucial for maintaining the credibilty of our deterrence in the Southern Region of NATO. In addition, the joint Alliance support for this relocation represents one of the most successful and unprecedented examples of burdensharing ever achieved. But first let me review the reasons NATO is involved in this relocation.

As a result of the decision to remove the 401st Tactical Fighter Wing from Spain in 1987, then Secretary of Defense Carlucci advised NATO that we would bring the 72 aircraft back to the United States and retire the wing unless NATO could fund the relocation of the wing elsewhere in the Southern Region of NATO. Our Allies were concerned over the gap that would be created by the loss of this force in the Southern Region defense. NATO began to consider alternative solutions that would ensure the continued presence of this force in the area.

For both political and strategic reasons, we strongly supported NATO's efforts to find a way to maintain the forward deployment of the 401st TFW in the Southern Region. Politically, this tactical fighter wing provides modern, flexible, immediately available military strength to the southern flank of NATO. Maintaining the 401st as an in-place, forward deployed force demonstrates the continuing U.S. commitment to defend the Southern Region and helps to preserve the bond between the Southern Region and the rest of NATO. Overall, this deployment makes clear the strong coupling between the United States and NATO and unquestionally enhances Alliance cohesion and solidarity.

Strategically, the forward basing of the 401st makes a powerful contribution to deterrence and defense in the Southern Region. The 401st Tactical Fighter Wing is a multi-purpose, responsive force. The 72 F-16s involved can serve as attack and close air support aircraft, or in an air defense role. If not based in Europe, this force would simply add to our reinforcement burden. By being forward deployed, its immediate availability is ensured for effective defense in the Southern Region and in the Mediteranean. I should note that this is the only US fighter wing now in place in the Southern Region. Its return to CONUS would likely be viewed by our allies and adversaries alike as dramatically weakening the defense of this vital area.

Against this background, the NATO Defense Ministers, in May 1988, invited Italy to host the 401st Wing. The Defense Ministers further agreed to provide for the purchase of land and the construction of facilities needed to support the relocation of the wing from Torrejon Air Base, Spain to Crotone Air Base, Italy, with the exception of some welfare and recreational facilities. The latter aside, this met the provisions of Section 123 of the FY 1989 Military Construction Appropriations Act which restricts the use of appropriated funds, with the exception of NATO Infrastructure, in support of relocating the 401st Wing.

At their December 1988 meeting NATO Defense Ministers agreed to fund the NATO Common Funded Infrastructure Program at a level of 1204 Million Infrastructure Accounting Units (that is 4.8 billion dollars for 1991 and 1992 programs). This level of funding continued full support for the priority requirements of the NATO Military Commanders and, at Secretary Carlucci's suggestion, provided additional funding to support construction and equipment requirements for the 401st Tactical Fighter Wing. Thus adequate resources were insured to continue modernization of such key requirements as NATO's Air Command and Control System, NATO communications systems, key sustainability and force structure support projects and completion of the hardened shelters program and essential operational facilities for US reinforcing aircraft while providing additional funds for the 401st TFW relocation. It marks another important and difficult decision taken by the Alliance in recognition of the burdensharing issue and the need to ensure continued progress toward meeting and maintaining our joint security objectives.

Recently we have sent letters to key Congressional leaders outlining progress and costs associated with the move. The costs fall into two general categories: those which support requirements of the 401st Wing at Crotone and those required to transfer remaining US units at Torrejon AB.

Once the 401st Wing moves from Torrejon Air Base significant costs savings will result from closing what would become an inefficient, small US base.

Let me first review the costs associated with transferring the 401st TFW. The total costs to NATO (based upon the current Infrastructure Accounting Unit exchange rate) to beddown the 401st Wing at Crotone Air Base Italy is estimated at 827M dollars. The US share of the NATO Infrastructure fund costs equates to 231M dollars. As a result of our informal consultations with Congress last May, we advised NATO that the US would pay for welfare and recreational facilities required to support US personnel at Crotone. Our budget requests will include appropriated funds for a youth center, bookstore, auto hobby shop, gas station and armed forces television network to support all military personnel and their families. The total appropriated monies for these recreational facilities are 14M dollars. All other recreation and welfare facilities such as the Class VI Store, Rod and Gun Club, Bowling Center and Swimming Pool will be supported through USAF non-appropriated funding.

Additionally, in the FY 1990 budget, we plan to request the US share of a joint US/Italian air-to-ground weapons range estimated at about 7M dollars. The range will be constructed in Italy with utilization, construction and operation costs equally shared with the Italian Government. This range is essential for peacetime training and qualification of combat flight crews.

The total US appropriated funds, then, required to support the 401st Wing at Crotone Air Base is 252M dollars distributed as follows: 231M dollars for our share of NATO Infrastructure, 14M dollars for recreational facilities and 7M dollars for an air-to-ground range.

Let me now turn to the costs of transfering the remaining units at Torrejon. In addition to the 401st Wing, there are three other military units there, a Military Airlift Command Aerial Port Squadron, the 16th AF Headquarters and a Defense Communications Agency Station. The Military Airlift Command Aerial Port Squadron will be split between Crotone AB and Rota Naval Air Station in Spain. A small MAC terminal is needed at Crotone which will be funded by NATO infrastructure. The MAC strategic enroute support function will be transfered to Rota and will involve 150-200 personnel at an estimated cost to the US of $10M dollars. The second unit, the 16 Air Force Headquarters has approximately 150 people and will require about 8M dollars for a new facility at its planned relocation base. Finally, the Defense Communications Agency equipment and approximately 25 personnel are planned for relocation within Spain at a cost estimate of 14M dollars. That puts the total costs for transfering US presence from Torrejon AB at approximately 32M dollars.

Thus total estimated requirements for US appropriated funds is 285M dollars. This US expenditure will beddown the 401st Tactical Fighter Wing on a NATO 21st Century base with new facilities to support its mission today and the flexibility to meet tommorrow's mission. In addition, the other units currently located at Torrejon are relocated to more efficient and cost effective locations.

We are especially pleased with the support NATO has provided in regard to the unique and cost effective arrangements to ensure adequate housing for our personnel at Crotone. Under current arrangements at Torrejon Air Base we have 858 housing units at Royal Oaks of "Build To Lease Housing" with the remainder of our personnel required to live on the economy. We will continue to pay for the leasing as long as we occupy the 858 units. At Crotone Air Base we plan to have 2507 units of housing which will be pre-financed by NATO, built to our standards, and managed by the US Air Force. We will repay NATO over a period of about 10 years for the cost of construction. There are no "hidden" costs for interest, inflation or profit involved in contrast to the standard build to lease arrangement. At the end of the repayment period these 2507 units are ours, rent free, and the US maintains residual value rights. The annual costs for these 2507 units after repayment will amount to only slightly more than we are now paying for the 858 units in Spain.

In conclusion, few of us could have imagined, just one year ago, how quickly and decisively NATO would react to help bolster Alliance solidarity and preserve a key aspect of the

US defense commitment to NATO security. Italy's decision to accept the 401st Tactical Fighter Wing and NATO's decision to fund the relocation from infrastructure resources remains a unique example of burdensharing and prevented the erosion of military capability in the Southern Region.

It is vital that this spirit of solidarity continue, to reinforce mutual trust within the Alliance. US support of its end of the bargain on the 401st relocation is essential to the maintenance of NATO's defense posture in the Southern Region as well as to the confidence of our allies in the U.S. commitment to collective security. The joint efforts of Congress and the Department of Defense are needed to ensure continuing progress on this important burdensharing undertaking. NATO is doing its part, and it is essential that the US carry forward its responsibility as well.

Thank you. I look forward to your questions.

Mrs. SCHROEDER. Thank you very much and this is a very interesting day for this committee because in the morning, we are talking about spending all this money moving to Crotone; in the afternoon, we are on the House floor for hours and hours and hours dealing with the base closing domestically.

So it is going to be very interesting to watch us all try to change our different modes of thinking when we go from one place to the other.

Let me get back to this referendum. How did the referendum get interpreted that the 401st was to go but everything else stayed?

Ambassador WOODWORTH. The referendum, of course, was a responsibility of Spain.

Mrs. SCHROEDER. Right.

Ambassador WOODWORTH. Spain prepared, designed and voted on the referendum themselves, the voters of Spain. They did not, in the referendum, specify what units would be involved and what the referendum was calling for. That only happened during the course of the negotiations, which began in 1986.

In those negotiations, in the early part of the negotiations, in 1986, the Spanish side first indicated that its position called for the removal of the 401st, so that was the first indication that we had at that time.

Mrs. SCHROEDER. What is our reading of that referendum, then? Will they come back and say eventually the interpretation of the referendum is we are all out, all U.S. forces are out?

Ambassador WOODWORTH. To some extent, we can't predict the future, but let me give you my best estimate of what I would think will happen.

In the negotiations, the only unit for the renewal of the Defense Cooperation Agreement—the only unit that was specified was the 401st. The Spanish side did not indicate difficulties with the presence of any other units as such, although other adjustments were made in the course of that agreement, but that was the only unit to be removed.

The agreement itself, as you know, which we will expect to be ratified later this month, and then will go into effect, goes for a period of 8 years. Thus, everything registered in the currently negotiated agreement will be in place and intact during that time.

We have no indication at this point that Spain would expect to change the terms of that in the future, but that is a matter for the future. I think it is fair to say, though, as a general proposition and in response to your question, that what we have seen with Spain, and I think this is important for all of us to understand, what we have seen with Spain over the last—during this decade, in particular, is not only the emergence of a democratic Spain, but we have seen a remarkable evolution in Spain's relationship not only with the United States, but with its European allies and, indeed, with the rest of the world.

Not only have we seen Spain join NATO, albeit with conditions which are unique to Spanish circumstances, we have seen Spain now in the Common Market. We have seen Spain now associating itself and joining the Western European——

Mrs. SCHROEDER. Right.

Ambassador WOODWORTH. We have seen the emergence of democracy, a remarkable, if you will, almost peaceful revolution in Spain.

[The following questions were submitted to be answered for the record:]

Question. What was the vote for the referendum?

Answer. Approximately 60 percent of the Spanish electorate voted and roughly 53 percent of them voted "yes" for Spain's continued membership in NATO.

Question. Can you provide a copy of the wording of the referendum?

Answer. Article 1. By Government agreement of January 31, 1986, the following decision is submitted for a consultative referendum by all citizens.

Government agreement. The Government feels it appropriate for the national interest for Spain to remain in the Atlantic Alliance and agrees that this membership be established according to the following terms:

1. Spain's participation in the Atlantic Alliance will not include participation in the integrated military structure.
2. The prohibition of the installment, storage, or introduction of nuclear weapons in Spanish territory will be maintained.
3. A gradual reduction of the military presence of the U.S. in Spain will be carried out.

Article 2. In relation to this decision, the voters will have to answer the following question:

Do you think it is good for Spain to remain in the Atlantic Alliance under the terms agreed by the government of the nation?

Article 3. Voting will be held on March 12, 1986.

Article 4. The electoral campaign will last 14 days and end at 12 midnight on March 11, 1986.

Article 5. This royal decree will enter into force on the day it is published in the official state gazette.

Mrs. SCHROEDER. But if we could get a copy of the wording of the referendum and what the vote was for the record, I think that could be helpful.

Let me ask what the agreement is with Italy vis-a-vis security at Crotone. We are getting two statements from the Defense Department about that. One, that the Italians will not do as much about protecting the security of the base as the Spanish did and so we will need more personnel transferred there, and another, that that is not true.

Ambassador WOODWORTH. Let me try my best to answer that. I think that there has been some confusion. The security structure for Torrejon, for that matter, but for Crotone as well—as for any bases which are in a host country, the host country provides perimeter security and the United States provides internal security.

In this arrangement, this basic arrangement will be applied in Crotone. There will be an Italian security force that will be at Crotone and stationed at Crotone with the appropriate facilities and personnel. That will be their responsibility, perimeter security.

The internal security, which we will be responsible for, will change in terms of its requirements because of the different pattern, if you will, that the base will be constructed under. That pattern will, in effect, disperse the aircraft to a greater degree than we find at Torrejon. Because of that, and because of that unique structure, we will require additional security personnel in order to meet the full security requirements of that pattern.

The pattern is designed for other reasons and to meet a variety of requirements, but it is based also on our discussions with NATO in designing what we think to be the most efficient, safe and secure kind of base.

Mrs. SCHROEDER. How many additional, though?

Ambassador WOODWORTH. The specific number is not too—well, let's see. I am told that approximately 150 additional security personnel at Crotone, versus what we have at Torrejon.

Mrs. SCHROEDER. Let me—my time is up, but I just wanted to ask one final thing before we circulate around here. Is there any operational wartime mission at Crotone?

Ambassador WOODWORTH. No, there is not. This is intended to be a peacetime base.

Mrs. SCHROEDER. Absolutely zero.

Ambassador WOODWORTH. That is correct.

Mrs. SCHROEDER. OK.

Congressman Martin.

Mr. MARTIN. Thank you very much.

Mr. Ambassador, the base that we are leaving, Torrejon, as far as investment of military construction over the years, how much are we abandoning there to the Spanish Government?

Ambassador WOODWORTH. Let me make sure I have the right figure.

Mr. MARTIN. The figures we have indicate something on the order of $100 million.

Ambassador WOODWORTH. I am told about $170 million.

Mr. MARTIN. That is just going to be abandoned by us because of the decision of the Spanish Government, is that correct?

Ambassador WOODWORTH. That is correct. We do not have residual value rights to those facilities.

Mr. MARTIN. Talking about $14 million in appropriated funds for a youth center, bookstore, auto hobby shop, gas station and other things like class 6 stores, gun club, et cetera, out at NAF. As a member of the MWR panel, I am interested in that.

Do you have any ballpark figures for how many dollars of nonappropriated funds you are going to be requiring for this new installation?

Ambassador WOODWORTH. $4.8 million.

Mr. MARTIN. Let me ask you about the new housing units that are going to be constructed in Italy. Are those going to be paid for out of MilCon or are those going to be paid out of O&M accounts?

Ambassador WOODWORTH. The housing units at Crotone?

Mr. MARTIN. Right.

Ambassador WOODWORTH. No, the arrangement that we have for housing at Crotone is the following: NATO, with the infrastructure fund, is going to pay for and build the housing at Crotone, and this is some 2500 units of housing for U.S. personnel at Crotone.

Mr. HUTTO. Would the gentleman from New York yield?

Mr. MARTIN. Yes. I am sorry, Earl, I didn't see you here. I would have left that to you.

Mr. HUTTO. No, that is fine.

I read in your testimony where, then, we are going to pay back—pay NATO over a 10-year period. Is that right?

Ambassador WOODWORTH. That is correct.

Mr. HUTTO. This is some kind of lease arrangement or something like that?

Ambassador WOODWORTH. It is not a lease arrangement as such, and particularly not a lease arrangement in the normal build-to-lease arrangement we have had at other locations in Europe and, I think, presumably elsewhere possibly. I am not sure.

This will be a—this is really a special arrangement. There is no—I don't know that there is any—in fact, I don't think there is any precedent for this. In the first place, NATO has never involved itself in the funding or management of construction——

[The following questions were submitted to be answered for the record:]

Question. How are we paying for 401st housing-leasing?

Answer. A special line item, annual line item—which would be included as a part of our NATO Infrastructure budget contribution. This would permit the use of existing procedures to account for the funds going to NATO and would not involve any other budgets or special accounting procedures. I should also note that the arrangement for NATO prefinancing of the housing does not involve a lease—it is based simply on an agreement, as with all other NATO Infrastructure projects, among the Alliance partners that they will provide the needed funds to complete the project. This has been the basis for every infrastructure funded project for the past 40 years. In the case of 401st housing we, the US, will act as host nation for the construction—which means we will have direct control over all aspects of the project including contracting. NATO will provide infrastructure funds as required. Under this unique arrangement we will in every sense of the word "OWN" the housing for as long as the requirement exists.

Mr. HUTTO. My concern is paying O&M funds back. I believe the leasing probably would be O&M. Do you know—can anybody say anything about that?

Ambassador WOODWORTH. Current thinking on the payments we would make to NATO would be through a construction——

Mr. HUTTO. Would be through construction?

Ambassador WOODWORTH. A special line item, annual line item——

Mr. HUTTO. I thank the gentleman for yielding.

Ambassador WOODWORTH. Repaid to NATO.

Mr. MARTIN. Staff has prepared a short paragraph here on family housing. Let me be sure I understand it.

The NATO infrastructure account is paying for the construction of family housing at Crotone. The United States will pay 10 equal installments of $18.13 million over 10 years and then assume ownership. After the end of the 10-year payment period, in the year 2003, the United States will only pay maintenance costs. NATO pre-financing contains no adjustments for inflation or interest.

Does that make sense?

Ambassador WOODWORTH. That is correct.

Mr. MARTIN. So there is going to be an investment here of about $180 million over—between now and the year 2003, special line item out of the Department of Defense budget to pay for those housing units?

Ambassador WOODWORTH. That is correct. That is what we propose.

Mr. MARTIN. That is in addition to any contribution that we make for NATO support in general, infrastructure.

Ambassador WOODWORTH. That would be correct.

Mr. MARTIN. Let me ask you one other question.

The chairlady, in her opening statement which she submitted to the record, makes reference to the GLCM sites and we are going to be withdrawing GLCMs. It is my understanding something on the order of 3500 people support those GLCM sites. Is that correct, in Europe that are going to be dismantled?

Ambassador Woodworth. That is close, but let me be sure.

You are talking about——

Mr. Martin. How many people supporting GLCM in Europe?

Ambassador Woodworth. Overall, the whole GLCM force?

Mr. Martin. Right.

Ambassador Woodworth. I think it is on the order of 9000.

Mr. Martin. OK. My figures might be wrong—may I have unanimous consent for this one question, Madam Chairlady?

Mrs. Schroeder. Sure.

Mr. Martin. What is going to happen with those personnel? Does that mean that an end strength in support of NATO is going to be decreased by that number of people, or are we going to find them showing up somewhere else?

Ambassador Woodworth. The current planning, as I understand it by the Air Force, is to reduce the Air Force end strength over the period of the reduction of the GLCM force by that number. The number of Air Force personnel in Europe will not necessarily reduce, depending on the requirements that they need to fill there. In fact, they have requirements they want to fill in other areas of Europe.

The Air Force strength in Europe, we would anticipate remaining approximately the same under current planning, but the overall Air Force personnel end strength would go down.

Mr. Martin. The same thing true with the Pershings? No reduction in total forces?

Ambassador Woodworth. I would want to confirm that.

Mr. Martin. Would you do that——

Ambassador Woodworth. I can do that.

Mr. Martin. At your earliest convenience? That is part of our burdensharing——

Ambassador Woodworth. I know. I know this is an issue.

[The following questions were submitted to be answered for the record:]

EUROPEAN TROOP STRENGTH INF FORCES IMPLICATIONS

Question. The same thing true with the Pershings? No reduction in total forces?

Answer. There are 15,904 military end strength spaces directly associated with the GLCM and Pershing II units and supporting functions that are being disbanded as a result of the INF Treaty. 14,562 of these were in Europe.

	Total	In Europe
Air Force	8,590	8,249
Army	7,314	6,313
Total	15,904	14,562

The fiscal year 1990-1991 Revised Budget reflects a reduction for these spaces from the end strength of the respective services by fiscal year 1991 as the INF units are drawn down: 8,590 from Air Force and 7,314 from Army.

—The reductions are reflected in the fiscal year 1990-1991 Amended Budget.

—Air Force received an increase in European Troop Strength (ETS) ceiling of only 4,650 when GLCM was originally fielded. The remaining GLCM growth (3,599) was accommodated by shifting support functions from Europe to CONUS and using the vacated ETS ceiling headroom to cover the balance of the GLCM requirement. Army Pershing II manpower was accommodated from the Pershing I program requiring no additional ETS ceiling.

Budgeted European troop strength for all services will be reduced 5,685 below the ETS target by fiscal year 1991. (Includes 5,255 Army and Air Force INF associated forces.)

The remaining 1,342 CONUS INF spaces (15,904-14,562) will be taken from U.S.-based manpower. The remaining European INF spaces, 9,307 (14,562-5,255), will also be withdrawn from the Army and Air Force total strength by fiscal year 1991, but the ETS headroom will be reallocated to critical warfighting enhancements or approved force structure modernization in Europe, e.g.:

Air Force: Air base defense and damage repair; Compass Call ECM aircraft; Medical war readiness and Fighter force structure modernization.

Army: Aggressor battalion at the new Maneuver Training Center and correct long-standing CS/CSS personnel shortages.

Mr. MARTIN. I yield back and I thank the gentlelady for giving me the extra time.

Mrs. SCHROEDER. I think Congressman Ireland thanks you, too. Congressman Hutto.

Mr. HUTTO. Thank you very much.

Ambassador, the total outlay for the United States amounts to what, $285 million, is that right?

Ambassador WOODWORTH. That is correct.

Mr. HUTTO. How about the $7 million for the range? That is a part of that $285?

Ambassador WOODWORTH. That is a part of that.

Mr. HUTTO. OK.

Ambassador WOODWORTH. That is correct.

Mr. HUTTO. What is—you say we have no residual rights to Torrejon, what we are leaving. How about the severance pay of the Spanish workers there? Do we have to pay that also?

Ambassador WOODWORTH. We have accepted an obligation to meet our commitments for severance pay to the Spanish workers. This is an issue, and I know this has been an issue raised in the committee. It is a matter that we gave close consideration to at the time of the negotiations and as they were concluding.

The question is a fair one, given the circumstances under which we were leaving Torrejon, but our conclusion—and we think it to be a correct one—is that the United States obligations for severance pay, which were written into the 1982 agreement, and that was the agreement that was being extended, were to employees of the United States—employees who were working for the United States. Their circumstances, in effect, were independent of decisions of the Spanish Government.

We felt, therefore, that those obligations we had incurred—we think, fairly and with the knowledge of Congress and everyone else—were correct and that they should have been continued and maintained. That is why we made that decision.

Mr. HUTTO. How many Spanish workers are there at Torrejon?

Ambassador WOODWORTH. There are approximately 700.

Mr. HUTTO. Could some of those be transferred to Rota?

Ambassador WOODWORTH. Yes, some could be. In fact, the actual requirements for severance pay—we don't have a firm and final figure on that, and we, in fact, won't have a firm and final figure until all of that has played itself out with the withdrawal of the base over a period—withdrawal of the unit over a period of time.

For example, if some of those employees could be transferred and re-employed at other U.S. facilities that are in Spain, then obviously severance pay would not become an issue.

Mr. HUTTO. The MWR funding for the morale, welfare and recreation facilities—do I understand you to say that we will do that from appropriated funds, except for a certain part of it?

Ambassador WOODWORTH. Our proposal is to do $14 million of that from appropriated funds and then $4.8 million from nonappropriated funds. So we have broken—the Air Force, in arranging that package, has broken that down in that fashion.

Basically, their approach to that has been to seek appropriated funds for facilities that require a startup, but are not revenue-generating activities, so they could get the facilities built to meet the quality of life standards that we have for the Air Force worldwide and get those built and then have them in place.

Some of the other facilities that are revenue-generating activities are handled under nonappropriated funds. So that is the reasoning behind that.

Mr. HUTTO. One of the concerns I have is not necessarily the construction, but the operation afterwards. Does NATO bear any responsibility for operations and maintenance after it is established?

Ambassador WOODWORTH. No, we would continue to—the wing would continue to operate and be funded by the United States, just as the wing would be funded for operations wherever it is located.

Mr. HUTTO. OK. Thank you.

Thank you, Madam Chairwoman.

Mrs. SCHROEDER. Thank you.

Congressman Ravenel.

Mr. RAVENEL. Ambassador Woodworth, let me just tell you where I am coming from. I agree with Secretary Carlucci. I think that that wing should be brought home and that end strength reduced—the Air Force reduced by that number, and those F-16s be distributed amongst the National Guard and the Reserve. That is where I am coming from.

I feel that by 1995, we are going to be out of Europe and our move to Crotone is just going to be—by the time we get saddled there good, we will be coming home.

Now, we were over there, a group from Personnel was over there, and we had staff from MilCon with us. We were really shocked at what we heard over there from our military. They told us that Ambassador Bartholemew, in negotiations, relative to our withdrawal from Torrejon, was—he just gave away the store.

The observers that they had there said that he was almost slavish in the way that he just—it is just like he wanted to accommodate the Spanish authorities. What I want to know is, after we get out of there, what is going to be left at Torrejon? I understand that we heard we are going to have some people there and they are going to continue to be there to maintain some of the physical aspects of the base. Is that true?

Ambassador WOODWORTH. No, sir. I wonder if I could make one comment and then address specifically your question with respect to Secretary Carlucci's view on this. Secretary Carlucci—when the Spanish 401st became firm, and in the course of the negotiations, we concluded that they would not change that position, decided in the Government that we would acquiesce to that Spanish position.

At that point, Secretary Carlucci indicated that, given that we would be required to remove the 401st, in the Defense Department, our plan was to remove—take that unit back to the States and convert it to the Reserves.

That did not imply that that was his preference. His reason——

Mr. RAVENEL. I understand that. He said, if NATO does not provide—I understand that. I am not asking you——

Ambassador WOODWORTH. He was very strongly in favor of keeping that unit in Europe if NATO would support it, and that is what happened.

On the particular point of what remains in Torrejon, there are several other units there. A MAC unit, a communications unit. There is no time frame on the removal of those units and, in fact, the Spanish, as such, did not ask for those units to be removed. However, we decided that we would remove those elements and, in fact, that is reflected in the agreement.

With the major unit gone, to support those units was no longer really efficient. Their utility was better applied elsewhere.

Now, there is a provision in the agreement for a limited number of personnel at Torrejon for certain contingency purposes. We have not decided whether we would want to exercise that and so, at this point, whether there will be any people remaining at Torrejon is not clear.

It is likely that we will not.

Mr. RAVENEL. It was suggested to us when we were over there, and that is why I am asking the question, that we would be maintaining the physical aspects of some portions of the base for the Spanish after we had left.

Ambassador WOODWORTH. No.

Mr. RAVENEL. That is not so?

Ambassador WOODWORTH. That is not so.

Mr. RAVENEL. You don't want to——

Ambassador WOODWORTH. This becomes a Spanish responsibility.

Mr. RAVENEL. It was also suggested to us that had we not been so doggoned accommodating that the Spanish Government would have picked up the tab for the severance for these workers that we are going to pick up the tab for. Be that as it may, what kind of money are we talking about now?

Ambassador WOODWORTH. Let me—could I provide that for the record, because—and again, the best we could do is provide an estimate of a max amount, but again, the circumstances in each case, in the case of each employee, will determine what the ultimate amount will be.

[The following questions were submitted to be answered for the record:]

SEVERANCE PAY

Question. What kind of money are we talking about now for severance pay?

Answer. Our best estimate for total severance pay liability as of 31 March 1989 was $11.98 million for all the workers at Torrejon. However, this figure will undoubtedly be higher when computing the pay raises that will probably be in effect prior to the termination of employment. In computing severance pay, subject to Spanish labor law, a worker is entitled to 23.3 days of severance pay after working 1 year. This amount increases with seniority to a maximum of 1 year's pay. The maximum salaries of any individual currently employed is $35,900 annually in the case of three physicians, the next highest salaried workers are approximately 11 engineers who receive $30,000 annually. The average worker receives $11,400 annually.

Mr. **Ravenel**. Let me ask you this question. I see my time is up. You can just give me a yes or no.

Was the Department of Defense satisfied with the agreement that Ambassador Bartholemew negotiated over there?

Ambassador **Woodworth**. We accepted that agreement. We are satisfied with it.

Mr. **Ravenel**. You are satisfied with it? Happy with it?

[Laughter.]

Mr. **Ravenel**. No, you weren't happy with it.

Thank you very much.

Mrs. **Schroeder**. Congressman Skelton.

Mr. **Skelton**. Mr. Ambassador, before I go into my questions, I want to make it clear that I do have a great deal of admiration and appreciation for the country of Italy for their positive attitude, not just in this particular instance, but in other instances that I have been made aware of. I want to so state publicly.

But I want you to know I have some serious problems with this new base. We are going to pick up, in dollars and cents, nearly a half billion dollars because we got thrown out of Spain. Is that not correct? The $466 million the American taxpayer pays, is that right?

Ambassador **Woodworth**. No, sir. It is more on the order of about $289 million.

Mr. **Skelton**. If you add the family housing, it is up to $400-and-some-odd, $485 million. Is that not correct?

Ambassador **Woodworth**. Eventually, but I think it is——

Mr. **Skelton**. Either eventually, now, or eventually, that is American taxpayers' dollars. Is that not right?

Ambassador **Woodworth**. That is true, but for the personnel in that unit, you have to bear in mind that their housing has to be paid for someplace, somehow, somewhere, if that unit exists.

Mr. **Skelton**. All right.

Let me ask you this, why in the world is this thing placed so far south? It seems geographically to be misplaced. I know you said that this place doesn't have a—I suppose the planes will be moved out of there and moved somewhere else should emergencies come, but why is this place so far south?

Ambassador **Woodworth**. Given the purpose of the base, which is a peacetime base, that specifically—in a narrow sense, where it is is not that important. It could be almost anyplace in Greece—I mean, Italy, and still——

Mr. **Skelton**. Have you looked at Greece?

Ambassador **Woodworth**. No, Greece was not an option.

Mr. **Skelton**. Have you looked at other places in Italy?

Ambassador **Woodworth**. Yes. The Italians looked at a variety of locations, and we discussed with them and they had various options. This one proved to be, given the possible choices——

Mr. **Skelton**. Is it absolutely impossible to——

Ambassador **Woodworth**. To be the best alternative.

Mr. **Skelton**. To get an airstrip and put this over at Comiso?

Ambassador **Woodworth**. That was considered and there are—and it was concluded that there were so many difficulties attendant to trying to convert the Comiso base into an air base, which it is not. Comiso is not an air base.

Mr. **Skelton**. What if this committee, what if Congress mandated that it go there? What would happen then, sir?

Ambassador **Woodworth**. Then—you wouldn't save a lot of money. I don't think you would save any money.

Mr. **Skelton**. Even with all the expenditures we have had there?

Ambassador **Woodworth**. I shouldn't say that. You could—we would have to get figures on that——

Mr. **Skelton**. It would save NATO's money, too, wouldn't we?

Ambassador **Woodworth**. Comiso is largely NATO's money. It is a NATO base.

Mr. **Skelton**. All right.

Ambassador **Woodworth**. But, the difficulty in Comiso—there were some practical difficulties. One, there is no runway there, so a runway would have to be built. One is locating the runway.

There is a lot—there is a much denser population in the immediate vicinity of the base, so you have immediate problems with that.

Mr. **Skelton**. The same thing at Crotone.

Ambassador **Woodworth**. But you don't have those—no, they are not quite the same because you don't—at Crotone, we were able to avoid population problems and land availability problems that we could not avoid in Comiso.

Mr. **Skelton**. Did you look at Sigonella? Did you look at Sigonella, expanding that mission?

Ambassador **Woodworth**. I don't think Sigonella was ever an option.

Mr. **Skelton**. You have an airstrip there.

Ambassador **Woodworth**. There is an air base there and there are units, Italian and American, there.

Mr. **Skelton**. Absolutely. I realize that is Navy, but——

Ambassador **Woodworth**. That is Navy, that is right.

Mr. **Skelton**. But did you take a good look at that? Was it on the list? Was it examined? Was it one of the possibilities? Was it one of your options?

Ambassador **Woodworth**. I am sure it was considered, Mr. Congressman, as were a variety of locations in Italy.

Mr. **Skelton**. I raised the issue a little over a year ago, as fortune would have it, when the prime minister and others came over from the Italian Government, shortly after I had returned from Sigonella, about the terrible problem of burglary and theft to our young people in the Sigonella area.

You cannot be stationed there for 4 years and not be broken into at least once. The young sailors, in this instance, save their dollars and get a stereo or what-have-you and it is gone. Some local thief.

I am concerned that should this place be built, or any new place be built, that the Italian Government do a better job of protecting the—not just the American young people, but the NATO young people involved, because this is deplorable for any young people defending Europe to pay the additional personal price of being burglarized on a regular basis. I think it is absolutely wrong and a message ought to be sent to the Italian Government—I am hoping to do that right now again, and that is one of the issues that I will raise on this—if this goes in anywhere.

I am deeply concerned about this.

Ambassador **Woodworth**. Sir, we would share that concern as well.

Mrs. **Schroeder**. Congressman Bilbray.

Mr. **Bilbray**. Yes.

Mr. Ambassador, a couple of questions. On the severance pay, you stated that you didn't have the exact figure, but we have heard all sorts of rumors of just astronomical amounts of money being paid to the individuals that are being severed. I mean, not just like people generally in our—think of about a month or 2 months' salary. We are talking about large amounts, several years of severance pay. Is that the case with this treaty that we have, or this agreement with these workers in Spain, that they would be getting large chunks of cash?

Ambassador **Woodworth**. I would have to get that for the record if you would like us to. I don't know the details on it.

Mr. **Bilbray**. I don't need to know the details. Just give me a generality, a guesstimate of what an average worker would receive.

Ambassador **Woodworth**. I don't know. I am sorry, I don't know. If need be, we would be glad to provide that.

[The following questions were submitted to be answered for the record:]

Severance Pay

Question. Is severance pay an agreement with the workers or is it covered by the treaty?

Answer. Severance pay is covered by both the 1982 base agreement and the current agreement which went into force this month. It reflects Spanish labor law; basically, a worker would be eligible for a single lump sum payment of a maximum of 1 year's salary if he has worked for us over 15 years. (He accrues 23.3 days annually to that point.) The average salary per year for those employed is $11,400. The maximum salary is $35,900 annually in the case of three physicians.

Mr. **Bilbray**. OK, but it is not a small amount of money we are talking about, is it?

Ambassador **Woodworth**. Again, I don't know what you mean by "small," but my understanding is that the arrangements we have with Spanish employees working for the United States there are comparable to Spanish custom—the standards in Spain.

Mr. **Bilbray**. I think every member here has heard horror stories from some of these severance agreements of payments in the hundreds of thousands of dollars per employee for leaving in some of the countries that we have terminated our facilities.

I just wanted to get an idea of what we are talking about in Spain. Because I don't think Congress is going to tolerate huge payments to employees for a country that has kicked us out.

The second question is that if a Spanish employee is offered a transfer to another base in Spain, refuses that transfer because he doesn't want to move from the area, is the severance—are you still going to pay severance pay when you have offered him another job at another base within the same country or are you going to say, well, if he doesn't want to go, he would rather the severance, you are going to give him the severance?

Ambassador **Woodworth**. That is a good question. I don't know the answer to that.

[The following questions were submitted to be answered for the record:]

Severance Pay

Question. What is the amount of severance pay; we have heard estimates of hundreds of thousands of dollars per employee?

Answer. As of 31 March, the highest paid Spanish nationals working for us at Torrejon are three physicians who earn $35,000 annually. (The average worker earns $11,400 annually). The maximum severance pay is 1 year's salary if the worker has been in our employment for over 15 years. (They accrue 23.3 days of severance pay for each year they work until they are eligible for 1 year's pay.) If the physicians have worked for us over 15 years, they would be entitled to the most severance pay which would be approximately $35,900.00 using the pay scale of 31 March 1989.

Question. If a Spanish employee is offered a transfer to another base in Spain but refuses that transfer because he doesn't want to move from the area. Is he still entitled to severance pay?

Answer. Yes, he would be entitled to severance pay. Because of the cost of relocating, we can't require a Spanish national employee to relocate to another area. We can offer a job but if the employee refuses to accept it, he would be entitled to his severance pay.

Mr. **Bilbray**. I would urge that whoever is setting this policy establish a policy that the fact that if an offer is made and we encourage that by attrition, you do it at other areas, you hire them there, and as employees fall off in the other areas, that you not give the employee the opportunity to make the decision, well, he would rather take the large cash payment and leave the Government employment where we may need him someplace else and be able to take him into effect because, again, this is an area of concern.

The third question I have is cost of land. We have heard all sorts of stories that originally the land was selling for $1000 an acre or less in the area where the base is proposed and now it has jumped to $9000 an acre, and that this is going to be picked up by the Italian Government, but I presume passed on through NATO. Is that correct?

Ambassador **Woodworth**. That is correct procedurally.

Mr. **Bilbray**. Again, we will be paying 28 percent, roughly, of that cost. Is that correct?

Ambassador **Woodworth**. That is correct.

Mr. **Bilbray**. Have we done anything to go in to make sure that we are not being gouged in this land payment?

Ambassador **Woodworth**. We will do, as with the other members of NATO, this will be done through the Infrastructure Committee, which screens all expenditures of funds. We, along with other allies and in cooperation with Italy, will seek to ensure that what is being spent is legitimate.

Mr. **Bilbray**. OK, is this all in private ownership in Italy at this present time, the land? It is not like public lands of Italy or something?

Ambassador **Woodworth**. I think it is almost—of the 3000-plus acres, I think almost all of it is private. I think it is all private.

Mr. **Bilbray**. Italian law has eminent domain procedures, much like we do under our own law. Is that correct?

Ambassador **Woodworth**. That is correct.

Mr. **Bilbray**. So, at this point, if you find out that prior to the announcement of the base that the price of the land was selling for $1000 an acre and immediately thereafter the cost went to $9000 an acre, I presume that we are not going to pay that price. We are going to pay whatever the going price was at the time we announced, not after we announced.

Ambassador **Woodworth**. I presume some people would want to ask some questions.

Mr. **Bilbray**. My last question is on, again, the 401st. When—a touchy point to me—when the 474th was deactivated and put into the Reserves from Nellis Air Force Base, one of the reasons was—the comment was that unless the 401st was deactivated and put into Reserves, they were needed in the Reserve components.

The 474th was a NATO-committed, ready unit that was supposed to be 48 hours, 72 hours committed into NATO from Nellis Air Force Base. Now we get the base closing statement and the bottom of one of the statements in what is kind of the report language states that now Nellis Air Force Base is under-used because the 474th has left.

I agree with my friend from South Carolina that we are going to be closing down bases and bringing people home from the United States and I think the consensus of Congress is, in talking to most of the fellow members of the House, is that they are not in favor of building this base.

I think the Navy or the Air Force or whoever is involved at this point should take into consideration that before you get too far into this thing, that Congress may not go along with it. I don't know if anybody is thinking this far along, but what happens if Congress says, no?

Ambassador **Woodworth**. I think if Congress says no, I think the project will stop.

Mr. **Bilbray**. How far along—I mean, what are we committed, dollarwise, if that happens at this point?

Ambassador **Woodworth**. It depends at what point that would happen.

Mrs. **Schroeder**. Congressman Spence.

Mr. **Spence**. Thank you, ma'am.

Excuse me for being late. I was just trying to review some of these things. Looking at our chairlady's statement and she said Crotone is not a war-fighting facility. You kept referring to this as a peacetime base. Explain that to me, please.

Ambassador **Woodworth**. We have—some bases are, whether in the United States, for that matter, a base in the United States is effectively—an air base is a peacetime base. In other words, it is not designed to be built to protect against wartime operations. That is, shelters, arrangement of the base, the protection of all the logistics supplies and support and defenses around the base. It is not designed to be a base operating in a war.

Also, housing is there, personnel live there, et cetera, et cetera.

Mr. **Spence**. Does it have any operational wartime mission?

Ambassador **Woodworth**. No, this base would not.

Mr. **Spence**. So the reason for having it based there is just to assure the other NATO people of our support?

Ambassador WOODWORTH. It meets several purposes, and as indicated in my statement, it allows the presence, which to NATO is very important, and to us is very important. It provides a readily available force, immediately available force, that can be moved to its wartime operating locations quickly and, additionally, by virtue of being based in Europe, it does not add to the burden of reinforcement that we have with any of our units that must reinforce from the United States.

That is substantial. It is more than just simply flying the aircraft, fighter aircraft themselves. The entire base support apparatus has to go with that in order to enable those aircraft to operate.

Mr. SPENCE. They would be transferred, then, to another base somewhere else where you do have those facilities, the bunkers and the shelters?

Ambassador WOODWORTH. That is correct.

Mr. SPENCE. Like where?

Ambassador WOODWORTH. I am not sure how far I should get into the operational details of that, but there are forward operating NATO bases to which the squadrons of this wing would go.

Mr. SPENCE. Do you have any plans to build a hospital?

Ambassador WOODWORTH. Yes, sir, there would be a small, appropriately sized hospital for that unit.

Mr. SPENCE. Similar to the one at Torrejon?

Ambassador WOODWORTH. I think it is approximately the same, although I think it is a little smaller. It is smaller.

Mr. SPENCE. Some things have been moved or will be moved to Rota, some operational——

Ambassador WOODWORTH. Some of the activities that are at Torrejon now would be moved to Rota, that is right.

Mr. SPENCE. That is all I have.

Mrs. SCHROEDER. Thank you.

Congressman Montgomery.

Mr. MONTGOMERY. Thank you, Madam Chairwoman.

Thank you, Ambassador, for being here today. We have a bill on the floor that deals with base closures, but it is all domestic, and does not go overseas. Mrs. Schroeder and some of us were opposed to the bill, period, because we thought any base closures should include overseas bases. I have always had some problems of starting a new base or spending a lot of money overseas.

What I am leading to is kind of what Secretary Carlucci threatened, to remove these planes from Europe if NATO couldn't find another home. I like the idea of deactivation and bringing the F-16s back and putting them in the Reserves. I have been active in working with the Reserve programs over the years and we have a lot of squadrons in both the Air Guard and the Air Reserves that have old F-4s that have to be replaced.

Actually, Madam Chairwoman, it does make some—it does have some merit to it that we just not spend almost a half a billion dollars to start another base in NATO, and why not just come on home with these aircraft and give them to the Reserves?

Mrs. SCHROEDER. Your people from Mississippi would be happy to take them.

Mr. MONTGOMERY. That is right. We have some F-4s. Bilbray would be happy to take them. We probably could get them out and distributed today.

That is all. I just wanted to put it for the record.

Mrs. SCHROEDER. Thank you. That is wonderful.

Congressman Dickinson, do you have any questions?

Mr. DICKINSON. You betcha.

Was I recognized?

Mrs. SCHROEDER. Yes, it is your turn.

Mr. DICKINSON. All right. Thank you, Madam Chairwoman.

Mr. Ambassador, thank you for being here. Let me go back in history a little bit because sometimes corporate memory is worthwhile.

I have been a member of this subcommittee for some time now. I remember when we went over, when they were first considering building the GLCM base at Greenham Common, and we asked a lot of questions as to why we had to build such an expensive installation because we were talking about building a city, streets, sewage, water, chapels, trading commissaries, public housing, everything. We were told that in order to get off the economy, because they couldn't accommodate them, that we had to spend this tremendous amount of money to build a base, which we did, and then this committee went to Comiso and saw them in the process, then, of putting up a similar structure there at a tremendous expense—I think $200 million is probably low.

Now, we are going to walk off and leave both of these facilities. I don't know what use we will have for them, what use will we put to them after tremendous capital investment in both Comiso and Greenham Common, and then go over and build another base.

I understand that NATO infrastructure is supposed to pick up a large portion of this, but I don't think that many of the amenities that we require, NATO does not pick up part of that ticket for. I will ask about that in a moment.

Why does it not make sense that, even if you look at the map or whatever, that we don't utilize the tremendous capital investment we have at Comiso if we are going to move the bases, instead of walking off and leaving the investment there and starting a new one?

Why is that not feasible?

Ambassador WOODWORTH. Sir, I think——

Mr. DICKINSON. Was this already asked before?

Mrs. SCHROEDER. It was, but we keep hearing about a runway and the question is whether——

Mr. DICKINSON. Well, they are going to have to change the runway. You see, the runway that is presently existing at the proposed site in Italy, they are going to have to turn it around and go just across the present runway, as I am told, so you might as well—that is no inducement to even be there.

Hell, you might as well not have a runway there. We have to build a whole new one anyway.

Ambassador WOODWORTH. The runway that is there is unusable. We would have to—even if the orientation were correct, it is not a usable runway.

Mr. **Dickinson**. That is right. So that is no inducement to locate there, as far as the runway is concerned, because that is a nothing.

Why would not the alternative where we have such a tremendous investment, even though it might not be the optimum location, why wouldn't it be usable and acceptable?

Ambassador **Woodworth**. My understanding is that—and we talked about this a bit earlier—is that because of the local situation in Comiso, there were just important obstacles that made the practical problem of land acquisition and other—surrounding population made that impractical to consider that as an option.

As it turns out, in the Crotone area, there was—the area selected—a large, available area of open land that was not crowded with nearby people. Of course, in a base like this, you can't have it—you don't want it close to population. It is not acceptable, in fact, to have it close to population.

So these were some of the major kinds of considerations that applied in this case. The trouble was the Comiso base was built—it is not an air base, of course, it was a GLCM base and it is built uniquely to that function. It has been there—the shelters are built over the old—there was an old runway there, old World War II runway, but that was not used, so here these shelters sit across that.

The way the housing is built, it is close to the old runway. I mean, you would have to make a lot of shifts and adjustments to even be able to convert that into an air base.

But having said this, we also, needless to say, recognize—and not just the United States, but NATO and SACEUR—recognize that we have a lot of not just U.S. money, but NATO money in those GLCM facilities.

We have been addressing that issue carefully to determine how we might best use those facilities. Our expectation is that we will do so, whether the United States or some other NATO activity, but the objective, at least, is not to let these things go to waste and abandon them, but to, in fact, use them.

The problem is to what use that base best lends itself.

Mr. **Dickinson**. I understand.

My time is up, but would you briefly explain—what are we going to have to expend and build over and above what NATO is doing? Family housing, chapels, commissaries? What do we have to spend over and above the NATO infrastructure slice so that we will know what our part of the bill is?

Ambassador **Woodworth**. Our part of those kinds of expenditures—our part of that bill is $14 million of appropriated funds that we will use to build welfare and recreation facilities.

Mrs. **Schroeder**. But I think he means——

Ambassador **Woodworth**. Maybe I misunderstood——

Mrs. **Schroeder**. We have the entire package here as being $466.3 million.

Mr. **Dickinson**. That sounds more like it.

Ambassador **Woodworth**. You are including the housing.

Mrs. **Schroeder**. Yes.

Mr. **Dickinson**. I am talking about how much do we pay over and above what NATO pays to build what we propose to build at Crotone?

Mrs. SCHROEDER. The way we have it—tell me is this is wrong. Counsel has this as $231 million as the NATO share we have to contribute. So we still have to pay that, right?

Then, on top of that, you want $14 million MWR. Then $8 million, give or take, for the range you want to build. Right? Then we have—you have to pay for the housing over 10 years and that comes to $181.3 million?

Ambassador WOODWORTH. That is approximately right.

Mrs. SCHROEDER. Then about $32 million to move the other tenants. We add that up to about almost a half a billion dollars.

Ambassador WOODWORTH. I think one distinction here—the basic—the overall NATO—let me make sure I get this right.

The NATO infrastructure expenditures are going to be $827 million.

Mrs. SCHROEDER. Of which we pay.

Ambassador WOODWORTH. Which we pay $231 million.

Mr. DICKINSON. OK.

Ambassador WOODWORTH. Then, we are going to pay some additional funds, U.S.-appropriated funds——

Mr. DICKINSON. That is what I am asking you about.

Ambassador WOODWORTH. That figure is $58 million. That leads to a total of $289 million that we would spend, both directly appropriated and through the infrastructure fund.

Now, additional to that, which Congresswoman Schroeder has raised, is the question of housing. We will pay back NATO the equivalent of $181 million that NATO is going to spend to build the housing.

Mr. DICKINSON. That is over and above the figures you just——

Ambassador WOODWORTH. It is over and above that, but I think another way to look at that is that the—our servicemen, who will be occupying that housing, they would normally, in any other—if they were living on the economy, they would have to have housing allowances.

Mrs. SCHROEDER. But they can't live on the economy there, right? There is no economy to live on.

Ambassador WOODWORTH. They can't, but let's assume they were, two-thirds of our personnel in Torrejon live on the economy. They are given housing allowances and that is a cost to the U.S. taxpayer.

So, in other words, we are, in effect, paying back to NATO an equivalent of what we would fund routinely for any service personnel, an appropriation for their housing. In effect, we are—if you will, it is hardly an accounting question, but from the taxpayer's standpoint, in effect, you are using that money against the housing that NATO has built.

So it is really different than simply an add-on cost. It is different because we have to provide housing for our personnel.

Mr. SISISKY. Not if they were in the Reserves.

Mrs. SCHROEDER. Not if they are somewhere else.

Mr. RAVENEL. Madam Chairwoman, that is just the cost of a B-2 bomber, half a billion dollars.

Mrs. SCHROEDER. That is all.

Mr. **Dickinson**. I don't want to monopolize all the time, but one final shot. Why do we have to pay severance pay to the Spanish when they——

[Laughter.]

Mr. **Dickinson**. Has that already been asked?

Mrs. **Schroeder**. Everybody.

Mr. **Dickinson**. All right, forget it.

Mr. **Ravenel**. They need it; they need it. That is why.

Mrs. **Schroeder**. Congressman Sisisky.

Mr. **Sisisky**. Thank you, Madam Chairwoman. I appreciate the opportunity to be here, not being a member of the committee, but there is a great deal of interest about this base.

The Chairperson and I met 2 years—met with our fellow legislators from NATO and challenged them to protect the southern flank of NATO. If the southern flank of NATO wasn't important to them, why should it be important to us? That is how the discussion came up.

Now I am really concerned, and most of the questions have been asked, but I am going to refer back to the major point that people raised. Until I got to this room today, I did not know that it did not have a wartime use. It did not have a wartime use.

Now, I thought in the grand plan of everything—and this is an open meeting, so I guess I will have to be a little careful—I thought in the grand plan of all of this in our bases, and you know where I am talking about, that they were supposed to be supplemented by the Air Guard and the Air Reserves. I thought that was the deal where we put these bases, but obviously, we are going to build another base to put it with no wartime activity at all, absolutely no wartime activity, and put it in a place that is maybe a little closer, but by jet plane, it isn't really that close.

If I remember correctly in my mind years ago, we were talking about putting the aircraft in there within 2 or 3 weeks or whatever might be into those places. I cannot fathom how we can build a base now—and I mean, this is a completely new game—how we can build a base without any—without any wartime use. It just absolutely doesn't make sense.

It doesn't make sense for another reason. What is going to fall out of the NATO infrastructure. If they spend all this money, almost a billion dollars, what is going to drop out of it? Something is going to drop out that may be more important, I would assume, so that is my comment on that.

If you care to answer it, please do.

Ambassador **Woodworth**. I will certainly try.

On your latter point, NATO—when we addressed the problem of funding the base and then the whole infrastructure account last December, this very issue was discussed, and it is for that reason that when the decision—when NATO decided last December on the infrastructure levels for the next planning period which was up for decision at that time—this was taken into account and the levels were adjusted so that the other requirements previously identified for infrastructure funding would not be affected. The level was raised to accommodate the additional moneys for transfer of the 401st.

So NATO agreed to do that. I want to recognize that it had other requirements. It maintained those and it added additional money. That was an important part of the decision, the Allies being willing to put up that additional money in the infrastructure fund.

As far as the operational relevance of the base, you are right, sir, that the—in a sense, the unit has a wartime mission. It has a wartime mission, obviously, in the same way that it has currently, a wartime mission at its base in Torrejon. It will continue its wartime mission at the new base, at Crotone.

That does involve forward deployment. But there are several things we gain from this and I have iterated some of those in our discussions, but also in our statement. It was important to the Alliance and it was important to the United States in meeting the Alliance's collective security interests to have a forward presence of the United States in that region. This is the only combat unit of that kind that is in that region of NATO.

There was significant——

Mr. SISISKY. The only combat unit? What about the aircraft carriers that are floating in the Mediterranean Sea?

Ambassador WOODWORTH. It is the only Air Force combat outfit of that kind that is forward-based in that region.

Mr. SISISKY. The only Air Force——

Ambassador WOODWORTH. That is right.

Mr. SISISKY. But we do have the carriers out there. Am I correct?

Ambassador WOODWORTH. We do, indeed, have the carriers——

Mr. SISISKY. What do we have at Sigonella? I know what we have, one part of it, but what is the other part? Isn't that the Navy air transport?

Ambassador WOODWORTH. There are logistics and it is basically ASW units that are at Sigonella. This is the only combat fighter unit, Air Force combat fighter unit in that area of NATO. All others are in central Europe.

Now, beyond that, theoretically, yes, the unit could be moved back and transferred to the Reserves, but on the presumption that we would continue to keep its wartime mission, and in any wartime emergency, that unit has to be moved forward to its wartime operating bases and that is no simple operation. That is no simple operation given already the reinforcement requirements we have.

Mr. SISISKY. Just one more question. Do we have any other bases in Europe that do not have wartime—any air bases?

Ambassador WOODWORTH. The short answer is no. If I have to correct that for the record, we will do so, but I think this would be parallel to Torrejon today.

Mr. SISISKY. This is——

Mrs. SCHROEDER. Could we go on to Congressman Ray, though, because I would at least like to get through the first round, if we could.

Congressman Ray.

Mr. RAY. Madam Chairwoman, I, too, am grateful for the opportunity to come before your committee today, not being a member of it, and Mr. Ambassador, we are glad to have you here, kind of in the real world, real world of short dollars, as we are beginning to find out right here.

My colleague, Mr. Dickinson—I think the severance pay issue, Mr. Ambassador, was negotiated, I am told, by the State Department with Spain. In addition to that, the State Department negotiated retroactive paid leave, 6 months in advance in some cases, free transportation, unrequested sick leave and such as that, and according to the bases in Spain, we have a situation that is just really horrendous which the Department of Defense had nothing to do with and it was all arranged by the State Department for the base agreement.

We need to correct those in the future if we can.

Let me ask the question: in addition to—and it may have already been asked, but in addition to the things we discussed, and I understand the 16th Air Force wants to come along, too, and locate at this base, from Spain.

Ambassador WOODWORTH. Our plan is to relocate the 16th Air Force and that is an option.

Mr. RAY. But as I understand it, the 16th Air Force headquarters would be located there at the expense of the United States without NATO expense. The headquarters itself. Is that correct?

Ambassador WOODWORTH. That is a prospective way to do that.

Mr. RAY. We do not have a projected cost on that yet?

Ambassador WOODWORTH. Yes, we do.

Mr. RAY. How much is that?

Ambassador WOODWORTH. I think it is about—let me make sure I get it right here. Eight million.

Mr. RAY. Eight million, in addition. OK. All right, sir.

I am told—let me, just for the record, and you can clear this up—I am told that, first of all, this is a remote area of Italy. It is an underprivileged area of Italy which is pretty well lined up with the Communist Party.

In that area, there are hammers, sickles, signs on the buildings, on the telephone poles, on all of the structures around there and that area is represented in the Italian Government as the Communist Party in some respect.

I understand that it is a remote area where the utility lines getting into that area—the cost is prohibitive. I think it has already been discussed, the latest figure I have on the cost of the land is around $10,000 per acre. So it would seem to me that what we really have is an urban renewal type program for the country of Italy.

I just ask if you have any comments on that?

Ambassador WOODWORTH. I think that might over-describe it, but there is no question that in locating the base—and from Italy's standpoint, Italy had been approached to host the unit and in examining its possibilities of where to put that unit, it had a number of requirements it had to meet, but one of which was to just find a place where you can physically put that thing and build it, a base of this kind and that size and for that purpose.

I think economic considerations also had a bearing in the Italian location. I think that would be reasonable that it would.

I think no matter where the base would have gone, there is no cheap way to build an air base. Whether this particular location is uniquely more expensive than any other practical alternatives that were available, I don't think that has been proven.

Mr. **Ray**. Would it be unreasonable to think about a bare-bones type base with modular-type construction, of excellent runways, good repair facilities, perhaps even unaccompanied personnel?

Ambassador **Woodworth**. Obviously, that is always an option; however, it is not the approach that the Air Force has favored. In fact, the Air Force has been strongly, very strongly concerned that it can ensure—of this kind of operation, accompanied tours with proper standards of quality of life.

Mrs. **Schroeder**. I am sorry. I think with that, we are going to have to take a temporary recess for 10 minutes because of a vote——

Mr. **Dickinson**. Madam Chairwoman.

Mrs. **Schroeder**. Yes.

Mr. **Dickinson**. If I could just make a statement here, if I seem a little hostile or belligerent, I am. I would like to explain it by saying I have just left House Administration, which delayed my attendance here, where we just approved $600,000 for the Ethics Committee so that they can pay the lawyers $1000 a day per lawyer and no limit on the lawyers. They don't even have to be good. A thousand dollars a day per lawyer.

[Recess.]

Mrs. **Schroeder**. If we can, we will try to reconvene.

We thank you, and I would like to reconvene a bit for a few more questions.

Ambassador Woodworth, you had mentioned earlier that you had had—or someone had had informal consultations with Congress and then they advised that the U.S. would pay for the MWR facilities support personnel at Crotone.

Do you know who those people were in Congress that were consulted with?

Ambassador **Woodworth**. I don't know if I am getting myself into—our leadership in the department and the secretary and deputy secretary were in touch with Mr. Hefner and Mr. Sasser on the Senate and House sides about this. This was last May, prior to the DPC meeting when the decision was taken to support the relocation of the base and to invite Italy to host it.

Those particular questions were discussed with those leaders prior to that to see what questions we were facing when we went to NATO, so we discussed that in advance.

Mrs. **Schroeder**. But nobody on the authorizing committee, that you know of, was consulted with? We haven't found anybody.

Ambassador **Woodworth**. That may be so; I am not sure. I am not sure. Beyond what I have said, I am not sure.

Mrs. **Schroeder**. OK.

The next thing I am concerned about is what does Italy get for expropriating the land?

Ambassador **Woodworth**. What does Italy get for it?

Mrs. **Schroeder**. Yes. They are expropriating land, as I understand it, and NATO is paying $9000 an acre?

Ambassador **Woodworth**. Italy, as such, doesn't get anything. NATO, in effect, is paying for that land, which is unique. Normally—in fact, I don't believe there is any precedent at all for this in NATO. Normally NATO does not buy land.

Mrs. **Schroeder**. Has anybody ever thought about what it would cost just to give the planes to Italy?

Ambassador **Woodworth**. No. I guess not. No, that was never an option that has been considered. Nor has Italy ever sought that.

Mrs. **Schroeder**. Why do the Spanish want us—I find it very interesting that they are going to move F-18s in there, but they want us to maintain the base? Is that what I understand?

Ambassador **Woodworth**. They don't expect us to maintain the base and they understand clearly that we will not.

Mrs. **Schroeder**. But they are also—aren't they very angry about the plans to move 16th Air Force?

Ambassador **Woodworth**. No.

Mrs. **Schroeder**. You think that we—I guess what our problem is up here—it sounds very, very technical—is that we have all these bases all over Italy and we have to build a new one because the other bases aren't quite right. An awful lot of this stuff is really transferable. I mean, housing is housing and chapels are chapels. My understanding is there is a tremendous amount of infrastructure you will have to put in in Crotone because the power and water facilities are just not there. It is not a developed part of the country.

You keep saying to us that there is no—it costs more money to do a runway or it costs—it is very hard to believe that it costs more money to do a runway——

Ambassador **Woodworth**. At Comiso?

Mrs. **Schroeder**. Yes, Comiso.

Ambassador **Woodworth**. The difficulty—it is not simply a matter of building a runway because the runway costs *x* amount, whatever that is, and it is not cheap, but it is not infinite.

I think the major problem at Comiso, and I am not speaking with a total basis of expertise—I have been there once several years ago, but the Comiso base is an old World War II base that the Germans used, in fact, and it has an old—had an old runway that was World War II length, about 4000 feet or something——

Mrs. **Schroeder**. Right.

Ambassador **Woodworth**. And it sits on top of kind of a plateau.

Mrs. **Schroeder**. Yes.

Ambassador **Woodworth**. When NATO took that base to build it for the GLCMs, that runway was effectively covered over. Some of the GLCM shelters are built over one end of the runway. A housing area was built at the opposite side, but right adjacent to the old runway. So there is no actual airstrip there anymore.

The location sits on this plateau suitable for that length runway, but then the ground falls off into very rugged, hilly—there are vineyards and farmlands and old things. It is not level ground to extend—say, you would require a 10,000-foot runway for modern-day fighters——

Mrs. **Schroeder**. But it just——

Ambassador **Woodworth**. So physically, there is no place—physically, there is no place to actually put that kind of runway at that location. Moreover, the City of Comiso is not far away from the base itself. So you have that problem. Plus, there is a fair amount of population and what-not in the area.

Mrs. SCHROEDER. I don't know. I just find that very hard—it may not be as perfect a place, but it seems like they must have bulldozers or some way to level things out. They do that a lot.

Let me also ask about the $181.3 million that we repay for the housing. Those are in NATO dollars. That could be a lot more, right, if the dollar drops? Is it locked into the exchange, the currency rate now?

Ambassador WOODWORTH. That is a good question. I would have to think. These are all—all of these figures are estimates now, based on the current rates and current estimates based on our understanding of requirements and they will all be refined as the project proceeds.

Let me check. I guess it could change some—either way, it could go up or down, I guess.

Mrs. SCHROEDER. My time, I see, has expired.

Congressman Martin.

Mr. MARTIN. Before I get to the question of severance pay, let's talk about the hospital we are leaving in Spain. The plans to build a hospital at the new site in Italy and, in any event, what will the hospital in Torrejon be used for? Is it going to be retained on an inactive status or, if not, who is it going to support?

Ambassador WOODWORTH. I don't think any decisions have been taken about that.

Mr. MARTIN. Any decisions been taken about having to build medical facilities at the new base?

Ambassador WOODWORTH. Crotone? Yes, there will be a hospital built and for a community of that size, you need something like a small but suitable-sized hospital. It will be built and available.

Mr. MARTIN. If the decision has not been made, can you hypothesize the hospital that we are leaving—who is that going to support?

Ambassador WOODWORTH. All the facilities at Torrejon, in effect, revert to Spain if we leave them. So the Spanish will have an option, if we don't seek to hold it in some inactive status or something, to utilize that facility. I believe that is correct. Yes.

Mr. MARTIN. Say again.

Ambassador WOODWORTH. They effectively belong to the Spanish. We build these facilities for our use while we are there, but we do not have residual rights to those facilities.

Mr. MARTIN. Do we have any authority to keep it open on an inactive status?

Ambassador WOODWORTH. I believe that is an option available to us if we seek to exercise it.

Mr. MARTIN. Which would probably fall within the province of our crack negotiators over in the State Department.

Ambassador WOODWORTH. That is right.

Mr. MARTIN. Speaking of our negotiators, and getting back to the severance pay issue, again, if you don't know, would you try to find out, Mr. Ambassador, that the question I have is when they were negotiating this bargain and agreed to pay severance pay, were the provisions of our Anti-deficiency Act taken into account, and if it was, how did they get around what I perceive to be an apparent violation of that act, which is that provision that says that we cannot commit future Congresses to make payments until such time as they have the opportunity to pass on it?

Do you know?

Ambassador WOODWORTH. I don't. With your permission, let me check that and try to submit something for the record or in any other manner that you would like us to do it.

Mr. MARTIN. But if they argue that they didn't violate that act, I would like to know what legal reasoning they used.

Ambassador WOODWORTH. All right. I would have to check that to give you a competent answer.

[The following questions were submitted to be answered for the record:]

Question. Were the provisions of our Anti-Deficiency Act taken into account?

Answer. The Department of Defense does not consider the agreement to make severance payments to Spanish employees working for the U.S. forces at Torrejon Air Base to be a violation of the Anti-deficiency Act because a fund has been set aside previously to make those payments. Accordingly, the agreement on severance pay does not constitute a commitment to expend funds in the future before Congress has appropriated the money for that purpose.

Mr. MARTIN. I yield back.

Mrs. SCHROEDER. Thank you.

Congressman Ravenel.

Mr. RAVENEL. Thank you, Madam Chairwoman.

In response to what the Congressman from New York had to say, I think probably the way to get around that severance pay is they pay it in big lump sums and look to this Congress to approve it.

Mr. Ambassador, I wish you would furnish us not only with the severance pay costs, but all our leaving costs. I would like to know who we are going to have left there once we get the hang out of there completely and what those people left there are going to be doing.

Ambassador WOODWORTH. I think our expectation is that we will have nobody there.

Mr. RAVENEL. Nobody there?

Ambassador WOODWORTH. No.

Mr. RAVENEL. That is not what we heard when we were over there. We heard that we are still going to be having some maintenance forces there.

Ambassador WOODWORTH. There is a provision in the agreement to maintain a limited number of people there if for our reasons, in agreement with the Spanish, we want to have some people for the base to be used, for example, for wartime emergency and contingency purposes or other reasons, but at this point, we have made no decisions about that.

There is simply a provision for that to happen if we choose to exercise that option.

Mr. RAVENEL. Specifically, the thing that was expressed to us by our military leaders at the highest level over there in southern Europe when we were over there just before Christmas was that we were going to be maintaining those bases for the Spanish at our expense.

Ambassador WOODWORTH. No. We are not going to do that.

Mr. **Ravenel**. If we exercise the option to maintain the base at Torrejon and the Spanish are, indeed, using it, then would we not be maintaining the base for Spanish use?

Ambassador **Woodworth**. We are talking about personnel that could be there to assist, to work with the Spanish in coordinating whatever might be done for contingency emergency wartime reinforcement purposes or through logistics purposes.

Under the agreement, there is a provision—and we have in the new agreement with Spain—there are provisions relating to wartime host nation support. We have to negotiate with the Spanish about what the details might be, and depending on that, there could be some of that, but I don't see happening what you are describing, that we are going to maintain——

Mr. **Ravenel**. I just say that that view was expressed to us. It is kind of like who is going to be left there once we get out?

Ambassador **Woodworth**. At this point, we have no plans——

Mr. **Ravenel**. For anybody to be there.

Ambassador **Woodworth**. For anybody there, but we have a provision under the agreement for a limited number of people for these purposes that I have just tried to describe.

Mr. **Ravenel**. I heard you mention—what you had to say—sending letters to key congressional leaders. I know you mentioned Senator Sasser. Who was the House member that you mentioned?

Ambassador **Woodworth**. Mr. Hefner.

Mr. **Ravenel**. Mr. who?

Ambassador **Woodworth**. Hefner.

Mr. **Ravenel**. How about Mr. Aspin? You don't think you all should have——

Ambassador **Woodworth**. I don't want to rule out that that happened. I would have to check to be sure everyone who was in touch with, but we might have been in touch with him.

Mr. **Ravenel**. I don't have any more questions.

Mrs. **Schroeder**. Thank you.

Let me go back to the housing. If we leave Italy before the 10 years is up, do we still repay NATO for the housing?

Ambassador **Woodworth**. Let me offer an answer without being able to tell you that I know it is the definitive answer, but I think that we would have residual value to the extent that we had paid into that housing as of whatever point in time that would occur, but if we were to leave, we would leave—it remains a NATO base; thus NATO would hold the value of what it had invested in building that housing. It would be a NATO facility.

If we leave, for whatever reasons, it belongs to NATO and they either have to find some other use for it by NATO forces, otherwise they have these facilities that remain, in fact, NATO property.

Mrs. **Schroeder**. So you are sure that if we were to leave before the 10 years are up, we would not have to continue making the yearly payments? Or do you want to check that for the record?

Ambassador **Woodworth**. Probably to be safe, let me check that and make sure that for the record we can give you a definitive answer, but my top-of-the-head answer is no. I mean, we are not obliged—the United States is not obliged to stay at that location for any point in time, for any length of time. We do so according to both our own requirements and our agreements with NATO as to the——

Mrs. **Schroeder**. But we may be obliged by a contract we sign with NATO. I mean, that is the only thing.

Ambassador **Woodworth**. There is no contract.

Mrs. **Schroeder**. Or agreement, whatever the agreement is, vis-a-vis the housing payback.

Ambassador **Woodworth**. Yes. There is no agreement of that kind, but we will check to make sure that we have for the record a clear answer to that.

[The following questions were submitted to be answered for the record:]

Question. Are we obligated by a contract we sign with NATO to pay for 401st housing even if we leave before 10 years?

Answer. There is no contract. We and our allies share the cost of the 401st requirement and we share the financial risks. If we, for some reason, were to leave the base before the 10 years were up, we would *not* be obligated to continue the housing payments.

Mrs. **Schroeder**. About all the problems that we have at Naples, have you ever thought about moving the naval support activity to Comiso?

Ambassador **Woodworth**. A variety of options are still being looked at for what to move to Comiso and without going into any of the specifics, yes, I mean, there is a whole set of things that are—that have been under consideration and remain under consideration, and not just U.S. facilities, but other NATO allied activities. So——

Mrs. **Schroeder**. Can we talk about those? I mean, I think one of the things that you are hearing from this group—it is interesting; I feel like I am the moderate here—is that—and I am not usually in that position—is that everybody is really very exasperated. I am sure you have been able to discern that.

Ambassador **Woodworth**. Yes.

Mrs. **Schroeder**. As I say, the afternoon we spend talking about how we have to close all these domestic bases; meanwhile, here we are, talking about a half a billion dollars here and we need more money for this. As you know, we are being asked for all sorts of money at Naples. We are being asked for money in all sorts of other places.

I think it is going to be very tough to get it, and I think if you listen to the hearing today, you don't have to be a rocket scientist to figure——

Ambassador **Woodworth**. No.

Mrs. **Schroeder**. That this is not one of the more popular things that we are going to be taking up.

So one of the things that happens is—I think that you probably detected, too, from Congressman Dickinson—is the committee never really feels it gets played straight with that, "Oh, this is going to happen; that is going to happen; we have to build this; we have to do that," and then, "Oh, well, we did it, but it all changed and now we've got to build another one because that one didn't really work."

I think we have a real problem in all of that. So when you say others are being considered and other things are being considered, at the same time, we are being asked for all sorts of money in Naples. How much money do we want to put into Italy; how much money can we afford to put into Italy?

I think it is very important that the committee have a bigger overall view as to what is really going on, because of that, and I just say that as a means of commenting.

What is the cost today of housing on and off the base for the people in Torrejon? How does this housing that we are projecting compare with what we are spending out of pocket today?

[The following questions were submitted to be answered for the record:]

Question. What is the cost today of housing on and off the base for the people in Torrejon? How does this housing that we are projecting compare with what we are spending out of pocket today?

Answer. We are currently paying a total of $23.9M per year at Torrejon AB for housing broken down as follows:

858 leased housing units at Royal Oaks	$12.9M
67 Government owned units at Torrejon	$.4M
1700 members BAQ (226 officers, 1474 enlisted)	$10.6M
Total	$23.9M

We project this cost to be $25.4M in fiscal year 1994 dollars for housing at Torrejon AB. The projected costs (operation, maintenance, and utilities *plus $18.1M per year purchase costs*) for 2507 units of housing at Crotone is approximately $26.9M in fiscal year 1994 dollars. Analyzing the costs for housing at each location projected over time reveals that we would complete repayment to NATO for the Crotone housing in 10½ years and our cumulative savings at Crotone over 20 years will exceed $150M when compared to Torrejon housing costs.

Ambassador WOODWORTH. Yes. There are about 800 on-base, if you will, units of housing. That houses about one-third of the personnel who are at Torrejon. The remaining two-thirds live in housing on the economy, which they rent.

Let's see, so the cost—our cost—that housing is a lease-to-rent arrangement that we have there. The cost of the United States for that is around $12 million a year for that housing, which takes care of about two-thirds—one-third of the personnel.

Of course, there is the additional cost through housing allowances that the remaining two-thirds pay for their off-base housing. I don't have a figure on that, but——

Mrs. SCHROEDER. Sure.

I was just trying to figure out what the yearly costs were going to compare at the two different places.

Ambassador WOODWORTH. In effect, $12 million we are paying now—let's assume that is true—for the 800 units, after we have repaid the—under the Crotone plan, after we have repaid the housing at Crotone, the O&M costs, we would maintain and operate that housing afterward. The estimated cost for that, if I have it correct, I think it is $15 million for 2500 units, versus around $12 million now that we pay for some 800 units.

So, in a larger sense, I mean, it is a very—it is a good deal.

Mrs. SCHROEDER. OK.

Of all the things that you are looking at, you never looked at whether or not to give the planes to NATO. That was never an option?

Ambassador WOODWORTH. That was never an option and——

Mrs. **Schroeder**. The main option was the Carlucci option, which was to bring them back and give them to the Guard and Reserve?

Ambassador **Woodworth**. Those were the choices that we had at the time. I am not sure that—frankly in order to give—I mean, I don't think we have such to be able to give a unit like that. I don't think there is provision even in the current law to do that.

Mr. **Ravenel**. Madam Chairwoman, don't give away South Carolina National Guard's——

Mrs. **Schroeder**. No, no, I won't, but I just wondered if that was an alternative, because it would be an interesting pricing arrangement to see how that looks.

Mr. **Ravenel**. We have the New York National Guard, which is based in Charleston. They fly down from Buffalo and they are still flying those F-4s, four of them. They would like to have four F-16s, too, Mr. Martin.

Mr. **Martin**. I just wanted to point out I am a little bit sensitive to that, having flown F-4s myself, I hate to see those out as static display. It makes me feel old. There are a lot of years in those and there are a lot of years in me.

Mr. **Ravenel**. Think about me, man, shoot, they didn't even have a jet plane when I was in the service.

[Laughter.]

Mrs. **Schroeder**. Congressman Martin, do you have any more questions?

Mr. **Martin**. Just one last question. Without getting into the figures as to housing and the infrastructure and all that and how much NATO pays and how much we pay, the fact of the matter is the American Government, over and above its contribution to NATO, has a substantial investment in this new facility.

I want to ask you about any agreements that we might have with the Italian Government relative to preferences granted to them in the construction of these facilities. Is there any such preference or who makes that determination? Is that NATO or is that—the United States is paying the bill or is that the Italians upon whose ground we are going to make this investment perhaps?

Ambassador **Woodworth**. The contracting for the expenditures of NATO infrastructure funds is done under standard and long-exercised NATO procedures for contracting and for NATO money, NATO infrastructure money, the bidding for contracts for that money—projects under that money—is open to any NATO member.

The host nation can bid, too, and may have certain advantages just by virtue of its locality, but all members can bid for contracts.

Mr. **Martin**. How about our investment over and above the NATO——

Ambassador **Woodworth**. Our own U.S.-appropriated funds?

Mr. **Martin**. Right.

Ambassador **Woodworth**. Yes. We can do that through the U.S. Navy, which is the contract management organization in that area of Europe. We can tender bids and——

Mr. **Martin**. The question that I am making as to that sum of money, do Italian contractors, constructors, builders, contractors—do they get a preference?

Ambassador WOODWORTH. Do they get a preference. I don't think so.

Mr. MARTIN. We are absolutely sure of that?

Ambassador WOODWORTH. I am told that there is a mixed commission that reviews those bids, American/Italian, for projects to be done, in this case, with the U.S.-appropriated funds.

Mr. MARTIN. Was your answer to the question that they categorically know there is no preference given to Italian contractors?

Ambassador WOODWORTH. It is open bidding, but it is suggested to me that the one problem we have had, at least, is that there are not that many U.S. contractors interested in these—in contracts of this scale and location.

Mr. MARTIN. If they were interested, is it going to be a situation that the Italian contractors are given a preference? Categorically, no? Is that correct?

Ambassador WOODWORTH. I am not a contracting expert. They are not, I am told.

Mr. MARTIN. Because it seems to me that while American contractors might not get involved in some projects, this is a considerable undertaking and we do have some worldwide contractors who might well be interested. They would be eligible to bid on not only the NATO portion, but ours as well, is that correct?

Ambassador WOODWORTH. That is correct.

Mr. MARTIN. No preference.

Ambassador WOODWORTH. I am told no preference.

Mrs. SCHROEDER. But how does that commission work? I mean, you have Americans and you have Italians on the commission, right?

Ambassador WOODWORTH. I am told. As I said, I am not an expert on how the contracting is conducted.

Mrs. SCHROEDER. How many votes do each have?

Ambassador WOODWORTH. I don't know if anybody with us is——

Mrs. SCHROEDER. I think it is very important that Congressman Martin gets the details.

Mr. HARPER. My name is William Harper. I work for the Deputy Assistant Secretary of Defense for Installations in DOD.

The mixed commission works—and it is just an organization of both U.S. and Italian, that reviews bidders lists and contracting arrangements for U.S. military construction-funded projects.

The bidders lists are reviewed and, in the agreement that we have with Italy that goes back to 1954, there are provisions for open, competitive bidding between U.S. and Italian contractors.

Historically, over the years, a good number of the contracts have been issued to Italian contractors, but only because we have had very low interest in American contractors bidding on contracts in Italy. By and large, the U.S. construction industry is not interested in bidding on contracts in the neighborhood of less than $20- or $30 million.

The Department has made a concerted effort, over the last 3 or 4 years, to encourage the U.S. construction industry to bid on these kinds of projects and we have submitted a number of reports to the Congress over the years, but in fact, the sum of all the individual projects is large, but individual projects as they go out, contract by contract, are relatively small.

Mr. MARTIN. Mr. Harper, you say U.S. and Italian firms. Is it also open to all other NATO countries?

Mr. HARPER. No, sir, not for U.S.-funded projects.

Mr. MARTIN. But it is——

Mr. HARPER. For NATO construction, as Ambassador Woodworth mentioned, it is open to international competitive bidding for all NATO members, for the NATO-funded portion.

Mr. MARTIN. So that portion of this project that is NATO-funded, all NATO countries are eligible to bid, is that correct?

Mr. HARPER. Yes, sir.

Mr. MARTIN. Is or can this thing be packaged such that—rather than nickle/diming it, one project here, one project there, is there any solicitation for total completion of this facility, turnkey type operation—not turnkey, but I mean in the sense of letting it in one contract?

Mr. HARPER. A project of this magnitude—there would not be one contract. It has been our experience that NATO would not—NATO would be responsible, the NATO international staff, for determining how the contracts shall be let, and normally they are let on the basis of those facilities which have to be constructed first. For instance, at Crotone, the first contracts that would be let would be for utilities placement and site preparation.

Then once those contracts are done, perhaps the next contract that might be issued would be for the runway, taxi tracks, pavements, and then on some other part of the base, some vertical-type construction might go up. But those would be issued in packages, but certainly not all to one contractor.

Mrs. SCHROEDER. Basically, NATO decides how it is packaged?

Mr. HARPER. Yes.

Mrs. SCHROEDER. Or how it is divided?

Mr. HARPER. Yes, that is correct.

Mr. MARTIN. This one question will be my last one. It would fall under the general heading of just because you are paranoid, it doesn't mean they are not out to get you.

Didn't you say—wasn't the comment made that U.S. firms are rather reluctant to go all the way to Italy to build something unless you are talking—I think the figure used was $20- to $30 million. If it is parceled up into small packages, doesn't that, almost by definition, mean that the whole process works against the participation of American contractors?

Mr. HARPER. The reason it is parceled out, Mr. Martin, is because it is useful to do that way from a construction standpoint. I mean, you can't have everything going on at the same time. I don't think this works against American contractors. A small project is not—for instance, a $5 million project at Crotone, for instance, would probably not attract bidders from the other NATO countries as well. It is just too small a project to interest somebody into coming into country and establishing themselves in order to do the work.

Some of the projects might be larger. We have had $30- and $40 million projects that we have advertised in our own Commerce Business Daily and have not been able to attract U.S. contractors over the years.

Mr. MARTIN. Thank you, Mr. Harper.

Mrs. **Schroeder**. Thank you.

Congressman Ravenel, do you have any more questions?

Mr. **Ravenel**. I would just like to say this to Mr. Harper. Mr. Harper, that was my business for 35 years, general contracting, and I think the point that Mr. Martin made was a very good point. If you parcel it up into small contracts, that would certainly eliminate the American contractors, but if the thing were opened up—if you are going to build a base like this, it seems to me like if it is going to run, say, $250-, $300 million, if you let NATO partners all bid on it, a prime contractor would come in, quite possibly he might just bring a small staff, relatively small staff in there to oversee the construction of the project and then he would have to deal with a great many subcontractors, most of whom, in this instance, because I don't believe this instance is going to come to pass—but in an instance like this, would be local contractors, his subs.

Mr. Woodworth, is any land acquisition currently going on over there now?

Ambassador **Woodworth**. The Italians are in the process of that, yes.

Mr. **Ravenel**. If we scrub this program, which—I think this new base, Crotone, which I think is highly likely—what is going to happen? Is NATO going to have to pick up the tab for those land purchases and—are we going to be assessed 28 percent of it?

Ambassador **Woodworth**. Let me say for the committee that—obviously, the committee will need to reach its own conclusion, as well as the full Congress—but I think in considering this question, I think you should bear in mind, and it is important for all of us, that there is—quite apart from the military-strategic implications of this base, this unit, and its mission to NATO defense. There is a substantial political stake already—that has been made for this program with NATO.

Without putting too fine a point on it, I think it is fair to say that if the United States finds itself unable to support its participation in this project, one, I think the project will have no future and will quickly end. Second, it will cause a substantial political reverberation because this has been a highly touted decision and step by NATO. Granted there are costs, but there is no free lunch, I guess, but in order to maintain this capability and to meet the overall political, strategic and military objectives that are involved, a major decision was taken by a group of nations.

If we are unable to uphold our end of the bargain, it is going to have significant repercussions.

Mr. **Ravenel**. You don't think the Department of Defense should have gotten a decision out of the Congress before they tried to commit our country?

Ambassador **Woodworth**. Sir, that is always a problem, however, we did—this process was going on in open. All the discussions all through last year about this were very public and very open. We were in touch with Congress on this and I can cite you statements from committee reports and all that which seem to provide approbation to the project.

The only injunction on us was that we would not fund that whole thing and that if it were to be done, it must be borne under infrastructure costs. On those grounds and on the grounds of other more separate consultations with members of Congress, we went forward in the belief that there was support for this project.

This is in writing in the committee reports, so I can only cite you those.

Mr. RAVENEL. I have just been here—I am in my third year on this committee, but it would certainly seem to me that this committee—I can't speak for the other body, but it certainly seems to me that this committee should have been absolutely consulted because, as you know, our country has terrible financial problems and not only that, that any political reverberations that might result from us deciding to bring that wing home and not to participate in the building of the base—I think that the political reverberations would be, not deleterious, but very positive, and would signal the impending end of our involvement on the ground in western Europe.

After all, we will have been there 50 years by 1995, which is a terribly long time, and my observation is, how do we leave? Do we leave with bands playing and heads high or do we leave with carrots and cabbages and epithets being hurled at us, because we are starting to see that, particularly in Germany.

The other thing I would say to you, based on what we heard over there—and we talked with the highest authority representing our country over there—is that, for gosh sakes, any time the State Department commences any negotiations that are going to affect our military presence and security anywhere in the world, you all really shouldn't sit on your hands and watch them—and let them get away with it. You certainly should alert the Congress as to what—that they are giving away the store, because ultimately it is us who have to pick up the tab and we are ultimately responsible.

We have an awful situation over there and the agreement that was negotiated is terrible so far as we are concerned.

Ambassador WOODWORTH. I should say, in all fairness to the State Department or our negotiating team, but for the record, I should say that the negotiating process for that agreement is not something that is solely in the hands of the negotiator or the State Department. It is done on an interagency basis and it is only fair to——

Mr. RAVENEL. What kind of basis?

Ambassador WOODWORTH. On an interagency basis. So it is only fair to them for me to make clear that the decisions taken on that negotiation and the final decision to accept that agreement was a Governmentwide decision.

Mr. RAVENEL. But why are our military leaders over there so unhappy with it?

Ambassador WOODWORTH. I think our—this was a hard negotiation, and as in many negotiations, as you would know, I am sure, you get some things you want and some things you don't get. There were some things we wanted that we didn't get. Frankly, we did not want to have the 401st leave Torrejon. This was a very, very heated issue all through the negotiation until that step was taken that we would acquiesce in that.

It was not easy. It was not easy in our relations with Spain and it was not easy in NATO, but it was a negotiation and it had its own imperatives and we had our own interests involved, as did Spain and as did NATO.

As in any negotiation, you get some things and you give other things.

Mrs. SCHROEDER. Thank you very much. We again appreciate your being here today and we heard what you said about a free lunch. There is no such thing as and we know you are probably hungry, but one of the questions we have is why do we have to spend a half a billion dollars? That is a large turkey sandwich for lunch, but we will keep working on this and we thank you very much for your attendance.

With that, we adjourn the hearing.

[Whereupon, at 12:25 p.m., the subcommittee was adjourned, to reconvene subject to the call of the Chair.]

OVERVIEW OF REVISED DEFENSE BUDGET

House of Representatives,
Committee on Armed Services,
Military Installations and
Facilities, Subcommittee,
Washington, DC, Thursday, May 4, 1989.

The subcommittee met, pursuant to call, at 10 a.m., in room 2212, Rayburn House Office Building, Hon. Patricia Schroeder (chairwoman of the subcommittee) presiding.

STATEMENT OF HON. PATRICIA SCHROEDER, A REPRESENTATIVE FROM COLORADO, CHAIRWOMAN, MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

Mrs. **Schroeder.** We will call the hearing to order. We now have another defense budget and another overview hearing. It seems they are moving faster and faster. The military construction budget, which was gutted in the Reagan defense budget, has been further mutilated by the Bush budget. Since I am talking to the people who know this, I am only going to put my statement in the record and express my regret that we have seen so much cut of the family housing and the things that make so much of a difference in commitment and the difference of quality of life issues.

I will put my statement in the record and yield to the gentleman from New York, Mr. Martin.

Prepared Statement of Hon. Patricia Schroeder

Well, here we are again. Another defense budget and another overview hearing.

The military construction budget, which was gutted in the Reagan defense budget, has been further mutilated by the Bush budget. Look at what has happened to the various defense functions under the fiscal year 1990 defense budget, as compared to the fiscal year 1989 appropriations (without any adjustment for inflation):

Total Budget—Up 1.9 percent.
Research and Development—Up 5.3 percent.
Operations and Maintenance—Up 5.0 percent.
Military Personnel—Up .8 percent.
Procurement—Down .6 percent.
Family Housing—Down 1.0 percent.
Military Construction—Down 15.4 percent.

Indeed, in dollar terms, the 1-year growth in the operations and maintenance budget is nearly as large as the entire military construction budget.

We will do what we can on the Hill to rectify the strange priorities reflected in the Bush budget. Frankly, we will not be terribly successful in bringing the military construction budget up to where it should be. The obligation really rests with the Department of Defense to submit budgets which reflect the importance of military construction and family housing, as expressed in the statements of our witnesses.

STATEMENT OF HON. DAVID O'B. MARTIN, A REPRESENTATIVE FROM NEW YORK, RANKING MINORITY MEMBER, MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

Mr. MARTIN. We have been frustrated, as you gentlemen know, for a long time with the thrust military construction had to take, particularly as it related to quality of life for service people. It is frustrating to us as we argue to the committee Members and the other subcommittee chairmen for a little bit of slack somewhere along the line.

Frankly, it is difficult to do that in the proposal I am talking about, 15 percent cut, and up with R&D.

I look forward to hearing your testimony on this third go round.

Mrs. SCHROEDER. I think we will proceed right on.

Mr. Stone, the floor is yours. We welcome you.

STATEMENTS OF ROBERT A. STONE, DASD INSTALLATIONS; GEORGE SCHLOSSBER, OSD GENERAL COUNSEL, GENERAL PROVISIONS; WALT FREEMAN, WASHINGTON HEADQUARTERS SERVICES, PENTAGON; MS. CHRISTINA RAMSEY, ODASD, ENVIRONMENT, ENVIRONMENTAL; MS. ARTA MAHBOUBI, ODASD, FAMILY SUPPORT, EDUCATION AND SAFETY, CHILD CARE; AND LT. COL. TODD VANDEHEY, DEFENSE MEDICAL FACILITIES OFFICE, MEDICAL

Mr. STONE. It has been a couple of weeks since we have been together on the military construction budget.

I would like to start off by trying to explain the reductions you described in your statement. In amending the original Reagan military construction bill to comply with the budget agreement made between President Bush and the congressional leadership, the Secretary of Defense evaluated a lot of alternatives and reductions in all appropriations that struggle to get the most defense from the money available.

Every appropriation was reduced, and military construction was reduced more than I wish was necessary. I think my colleagues feel the same way. Our construction request for 1990 totals $8 billion, 18 percent less in real terms than the fiscal year 1989 amount. Our family housing changed only slightly between the 2 years. We are requesting $9.2 billion for 1991.

These reductions resulted in many significant impacts on defense programs. For example, procurement was reduced by $5.4 billion, 6.4 percent. Some programs that were very important to the military department were canceled outright. RDT&E was reduced by $1.5 billion. Military personnel were cut, including a reduction of 4,000 in Europe and the elimination of an Army brigade in the United States.

The military construction appropriation was cut 6 percent. I think your statement, in focusing just on the construction portion, is about right. The amount available for construction as opposed to family housing was cut by more than 8 percent. Most of the reductions were made to the revitalization of our physical plant.

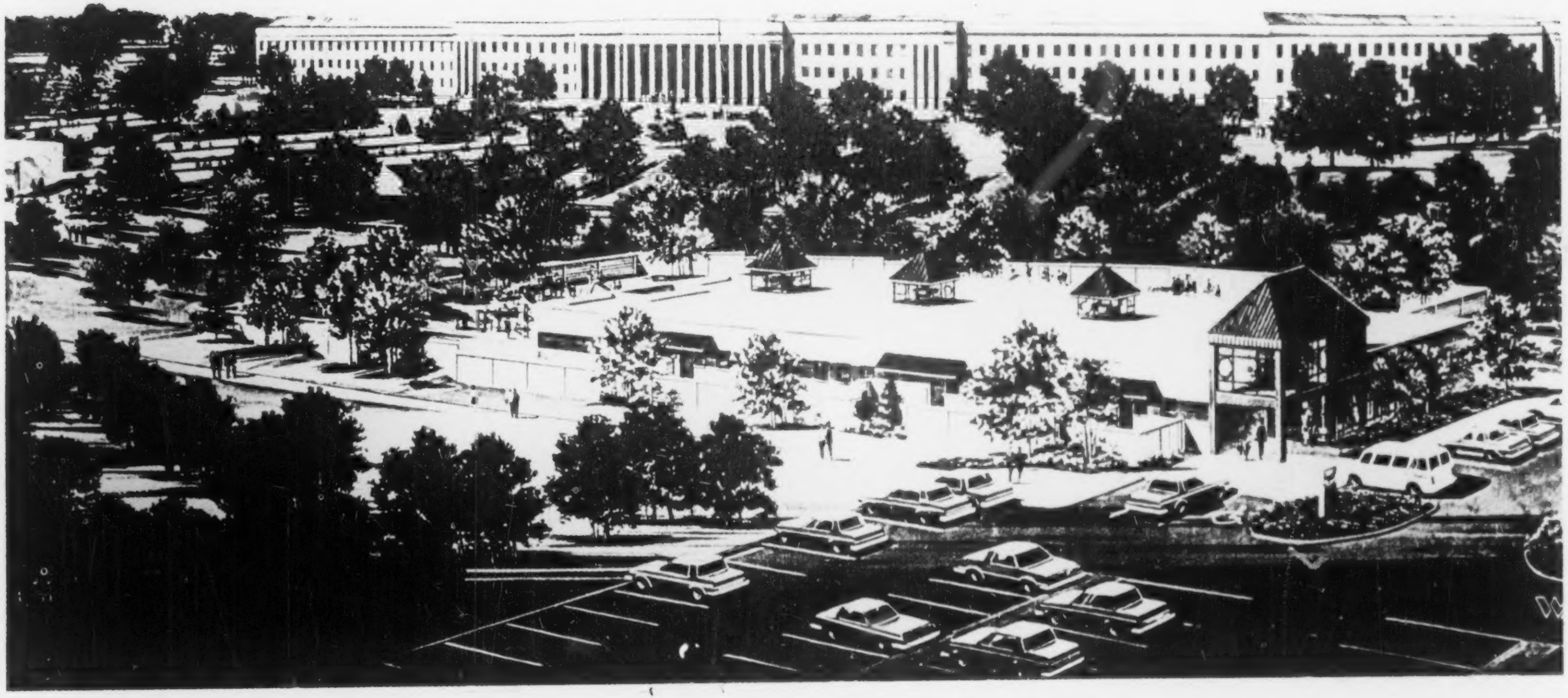
Reductions were made to specified construction outside the United States at a rate twice that of U.S. construction. We made more favorable assumptions as to the foreign currency exchange rate that would apply and that permitted us to reduce the budget somewhat.

All these cuts, in my judgment, make it even more pressing for us to expand private sector investments on military bases. You have given us authority to pursue such investments. Now we are seeking adjustments to the law that will provide the private sector with more time and more incentives to invest in military facilities. Our request contains a number of proposals that would enable the department to enhance its management in the military construction program significantly.

For example, in housing, we are proposing to extend the 801 authority for 2 years. This legislation expires in September. We have 5,300 units under contract, 4,500 in procurement and 6,200 remaining units for which solicitations are being prepared and we will lose many authorized units if the program isn't extended.

We are moving carefully. We are trying not to make any mistakes. Our authority expires September 30. If it is not extended, we will lose some projects. The program is good and we think it will get better as contractors and the financial sector become more familiar and comfortable.

We want to amend the 802 proposal. I can give you details on that.



An important legislative proposal is related to that rendering there. That is the privately financed and operated child care center being built right now at the Pentagon. It is proceeding under Section 2809 of Title X, which gives us the authority to sign long-term contracts for facilities and services.

That authority expires this September. This program is moving quickly. We signed the RFP only in August. We expect it to be in operation this fall. We have another child care center similarly under contract in Tracy, CA. I hope you will be able to come to the grand opening of this one this fall.

If we get the law extended, we can replicate this experience in many places where we surely need child care services. There are three things that stand in our way now, stand in the way of getting lots and lots of these privately built child care centers.

First, there is a cap on the amount of appropriated funds we can spend to support morale welfare and recreation activities. This cap limits our ability to subsidize these to keep the prices low. We subsidized military construction funded child care centers to start with by paying for the building. With this center, the contractor is paying for the building. We are working with the Readiness Subcommittee and the Appropriations Committee to get this restriction lifted.

Another thing that is standing in the way of more of these is we are proceeding cautiously. We have never done it before. There is some concern about using commercial services licensed and regulated by State and local governments and different from place. to place. But we are committed to trying some.

Of course, the biggest thing standing in the way is the fact that the law allowing us to do this expires in September. We hope you will extend that. We are also asking for an increase in the threshold for minor construction projects from the $1 million enacted in 1982 to $1.5 million. Projects under $1.5 million account for 35 percent of our projects, but only 7 percent of our program dollars.

We also need to increase the cost ceiling for renting family housing in the United States and overseas. We have an important proposal to transfer ownership and control at the Pentagon to the Secretary of Defense. We hope you will act favorably on these and other legislative proposals.

We think they make good business sense. We believe we need them as we try to make good with the smaller military construction budget.

In summary, there are two things that the Congress can do that will help us get the most from the construction program.

First, approve our budget request submitted for both 1990 and 1991. Secretary Cheney said the approval of biennial budgets could provide the resource stability necessary for economical program execution. Authorization of the 2-year budgets will help us do that.

Second, we would like to get the legislative proposals enacted into law.

Madam Chairwoman, I read in the newspaper that you and Mr. Martin recently wrote to the Chairman and ranking minority Member of the full committee saying that, I think your words were, "A little military construction can create a lot of readiness". I have never heard it said better. That concludes my summary.

Prepared Statement of Robert A. Stone

Madam Chairwoman and members of the Committee.

INTRODUCTION

Today, I am here to present the amended military construction request for fiscal years 1990 and 1991. In March of this year, I discussed the military construction portion of President Reagan's budget and the reasons why we need to invest in defense facilities. Those reasons remain valid, so I would like to explain the amended Military Construction Bill that resulted from the budget agreement between President Bush and the Congressional leadership.

FACILITY BUDGETS

The original military construction request was amended to be consistent with the budget agreement. Accordingly, the Secretary evaluated many alternatives and competing priorities in all appropriations as he tried to get the most combat capability from shrinking resources. Reductions were made in every appropriation including military construction.

As a result, the military construction request for fiscal year 1990 budget authority totals $8.0 billion. In real terms, the construction program is 18 percent less than fiscal year 1989. Family housing budget authority changed only slightly between the two years.

The military construction request for fiscal year 1991 totals $9.2 billion. Although in real terms it is still less than fiscal year 1989, it would help us recover from the fiscal year 1990 reductions by restoring some of our construction base.

IMPACT OF THE AMENDED BUDGET

These reductions resulted in many significant impacts on defense programs, and I'd like to put the military construction program reductions in perspective. Some weapon systems have been eliminated and others have been scaled back, force structure has been trimmed, and numerous other programs have been drawn down. For example, the Strategic Defense Initiative is scaled back, force structure will be reduced including about 4,000 fewer troops in Europe than planned, and one less Carrier Battle Group will be on line.

A comparison of the appropriations, and examples of programs affected by the amended budget, follows:

FY 1990 BUDGET AUTHORITY* (dollars in billions)

Appropriation	January Budget	Amended Budget	Dollar Change	Percent Change	Impact--Losses
Procurement	84.1	78.8	- 5.4	- 6.4%	V-22, AHIP, LANTIRN
RDT&E	41.0	39.5	- 1.5	- 3.7%	SDI, B-2 slowed
Ops and Maint	91.7	90.2	- 1.5	- 1.6%	Civ Pers -5%
Mil Personnel	79.8	79.2	- .7	- .9%	Total cut of 17,000
Mil Con	8.6	8.0	- .5	- 5.8%	Revitalization slowed
Other (e.g.-offsets)	.4	- .2	- .6	--	
Total	305.6	295.6	-10.0	- 3.3%	

*Numbers may not add across or down due to rounding.

All programs were evaluated for possible budget reductions, and the cut in military construction helped the Department meet the budget agreement target.

Most of the projects deleted, deferred or repriced by the Services were related to revitalization of the existing plant account. Also, reductions were made to specified construction outside the United States at a rate twice that of U.S. construction for both years-- 10.7 percent for outside the U.S. versus 5.1 percent for the U.S. Additional savings were possible as a result of more favorable foreign exchange rate assumptions.

PRIVATE SECTOR INVESTMENT IN DEFENSE FACILITIES

We are continuing to look for new ways to increase private sector investments. You've given us authority to pursue such investments; now we are seeking refinements that will provide the private sector with even more incentives to invest in military facilities.

Private developers are looking for business opportunities. Each of the Services is actively trying to get more from the private sector, since appropriations will never be enough to get the job done. As I reported to you earlier this year, we have done well with private sector investments, but with your continued support, I know we can do more and better.

LEGISLATIVE PROPOSALS

We can meet more of our facility needs and improve the delivery of modern facilities to the users, if you will help change certain of the legislative provisions covering military construction. Accordingly, our authorization request contains a number of proposals that would enable the Department to significantly enhance its management of the military construction program. For example;

In housing, one proposal is founded on the success of the so-called "801" build to lease housing program. Existing legislation for this successful program expires in September of this year. We propose extending the authority two years and adding another 3,500 units to the current ceiling. We now have about 5,300 units under contract, 4,500 in procurement, and 6,200 remaining units for which solicitations are being prepared. We'll lose many of these if the program isn't extended, because we are proceeding carefully, and many of the projects won't be under contract by September 30. This program is sure to get better as contractors and the financial sector become more comfortable with the agreements.

Also, we have proposed legislation to make it optional to void a rental guarantee family housing contract if the contractor does not perform acceptable maintenance on the housing. Currently, the voiding of the contract under such circumstances is mandatory. This proposal also would permit the government to require that rent collection be performed by an agreement separate from operation and maintenance, and would allow the government to pay for utilities and services for rental guarantee housing located on federal land.

In the program execution area, we are asking for two adjustments to existing legislation that we need to keep pace with inflation. First, we would like to raise the threshold for minor construction projects from the $1 million amount enacted in 1982 to $1.5 million. Additionally, this would provide the Services with the flexibility to act on more projects --those in the $1 million to $1.5 million range. Projects less than $1.5 million account for about 35 percent of the total projects, but only 7 percent of total program dollars. In fiscal year 1989, there were 255 projects for less than $1 million and 123 projects between a million and a million and a half dollars. Congress will continue to have oversight over all minor construction projects through the Services' reports required by public law.

Another proposal tied to inflation would increase the cost ceiling for renting family housing in the United States. Currently, the limit is $10,000 per year for each unit. We are asking for that to be $12,000. Also we are seeking to adjust the current ceiling for leased family housing in foreign areas, $20,000 per year for each unit, by an amount that would reflect inflation and foreign currency fluctuations by foreign country.

These and our other legislative proposals make good business sense, and we'd like your help to try to do more with less.

SUMMARY

In summary, there are two actions that you can take that will help us get the most from the military construction program.

First, you can approve the budget requests as submitted for both fiscal years 1990 and 1991. Secretary Cheney said in his statement before the House Armed Services Committee on the Department's amended budget that "approval of biennial budgets could provide the resource stability necessary for economical program execution." Authorization of the budgets as submitted, particularly for fiscal year 1991, will help us lock in on budget levels for the outyears.

Second, you can approve the legislative proposals we have submitted. This will enable the Department to improve its management and help us acquire additional modern facilities.

Madam Chairwoman, I read in the newspaper that you and Mr. Martin recently wrote to the Chairman and Ranking Minority Member of the full Committee to the effect that military construction can go a long way to building a more ready military. I've never heard it said any better.

Mrs. **Schroeder**. Thank you. I think what we will do is proceed with each of the witnesses. Mr. Stone, let me just ask you one thing. To this Member you were a great hero yesterday in the Philadelphia Inquirer because it was quoting a memo you had written that many of us felt on this committee for a long time needed to be written. That was saying that the Army barracks were certainly inferior to the Air Force's living conditions. I say they work for the same flag, and they ought to be the same.

Is there any way we can get a copy of that memo for the record?

Mr. **Stone**. Yes, I will be glad to furnish one for the record. I don't have one with me today. But I will get one over here this afternoon.

Mrs. **Schroeder**. I think we would appreciate having it. Many of us have felt that way. We salute your courage.

[The following information was received for the record:]

THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301-8000

PRODUCTION AND
LOGISTICS

MAR 1 1988

Lieutenant General Howard G. Crowell, Jr
Chief of Staff
United States European Command
APO New York 09128

Dear Howard,

When I visited EUCOM last month, you asked for my written assessment of the trends I saw, and of how I thought Army bases compared to Air Force bases (and why). Here it is. It violates my usual style--I much prefer encouragement to criticism. I'm not sure what use it will be to you or to the Army. I would value your advice on what to do next.

With the recent budget cuts, the Army has made drastic reductions in funding for construction and building maintenance and repair. US Army Europe, for example, is facing a 46% reduction in real property maintenance; some bases are making plans to abandon PCS contract cleaning of quarters for permanent change of station moves. Plans to provide barely human (let alone excellent) work places and living places for soldiers are being effectively eliminated. There is a potential for this trend to lead to demoralization, which is a far worse consequence than the inevitable loss of re-enlistments.

Comparison of Army and Air Force Bases

There are exceptions, probably, to every generalization I'm going to make. But the exceptions don't diminish the conclusions at all; the exceptions should give comfort only to those few soldiers and Department of Army civilian employees who have managed, despite the system, to provide the facilities or services that our soldiers deserve, and would have a far better chance of getting were they airmen.

1. Overall Base Appearance

Air Force bases look better. Buildings are better kept and freshly painted. Many World War II "temporary" buildings have stucco exteriors that make them look brand new. There are far fewer signs than on an Army base, but they are readable and consistently professional in appearance. Buildings are marked. A stranger can find where he's going.

2. Barracks

Air Force puts two airmen to a room; where circumstances force three to a room, four-star generals personally get involved to change the situation. Dormitories glisten with pride: stairways have live plants and framed pictures. Common rooms sparkle with the results of airmen spending time fixing them up. Many have well-provisioned snack bars. Sleeping rooms have thermostats which the airman is trusted to adjust. The dormitory room is the airman's castle (subject to inspection by dormitory unit leaders to ensure that standards are maintained).

Army barracks are far more likely to have three soldiers to a room, often more. Decorations are rare, dayrooms are commonly bare and unused. Fixed thermostats prevent (or in some cases limit) adjustment by soldiers who are too hot or too cold. Barracks rooms are nobody's castle; they are clearly Army facilities. Some have crude signs stenciled on the wall: "No Smoking in Bed" or other signs let the soldier know he is an untrustworthy visitor.

3. Dining Halls

Air Force dining halls are more attractive. Commanders are encouraged to eat in the dining halls by being exempted from surcharges ($1.50-$3.00 added to the nominal price of the meal for most officers and civilians). In the Army, unit commanders (mostly lieutenants and captains) are deterred from eating in the dining hall by the surcharge.

4. Billeting

Air Force billeting facilities for enlisted and officers are comparable to a nice motel. The billeting staff, partly military, is as courteous and helpful as the desk people at a Marriott. All rooms contain large soap bars and often other amenities comparable to what one would find in a nice motel.

Army billeting is usually closer in quality to the barracks than to the Marriott. Amenities are rare, soap bars are too small to shower with, beds are likely to be soft and spongy.

5. Maintenance Facilities

Air Force maintenance facilities sparkle. Floors in hangars, and even in some automotive maintenance facilities, are gleaming white polyurethane, which provides a bright cheery appearance proclaiming cleanliness. The troops typically work in small offices that they have built themselves in their spare time, and of which they are enormously proud.

Army maintenance facilities look like "Joe's Garage." Self-help is rare (but beginning to spread). In many places there are no maintenance facilities at all. Tens of thousands of soldiers maintain tanks, personnel carriers, and trucks in open fields, which turn to mud in the fall and ice in the winter. When the weather is bad, maintenance is practically impossible. The atmosphere is dehumanizing.

6. Getting Travel Expenses Reimbursed

When airmen return from official travel, they can get their expenses reimbursed overnight. While-you-wait service has become standard in several major commands. The Air Force believes that the money belongs to the airmen and that it is the duty of the Air Force to pay it back quickly. They make reimbursement simple at some bases by putting mailboxes on the flight line so that the airmen don't even have to visit the finance and accounting office. At one base, they installed a drive-in teller so that the airmen could get reimbursed without getting out of their cars. (The drive-in teller was what Tom Peters would call a glorious failure: the airmen turned out to prefer some face to face contact; they were impressed however, with the value the Air Force placed on serving them).

On Army bases travel expense reimbursement is likely to take several weeks. Some general officers have complained that it took them well over a month to get reimbursement.

7. Getting A Prescription

A four-star Air Force commander told his command that civilians wouldn't do business with a drug store that took an hour (as his base pharmacy did) to fill a prescription. He set a 10-minute standard, which is today being met throughout his command, and in other Air Force commands as well. Some bases have put up trailers or portable buildings adjacent to the commissary, where airmen or their families or retirees could drop off requests for refills while they shopped.

Some Army bases make a point of filling prescriptions in a few minutes. More commonly, the customer goes to the window, deposits the prescription, and picks it up when it's ready, with no expectations of how long it will take. In most cases it takes well over ten minutes.

8. Getting a Quart of Milk and a Loaf of Bread

If an airman wants some modest grocery order, in the early morning or evening hours when the commissary is closed, he can get it at the "Wee Serve," run by the commissary, and selling convenience foods at commissary prices.

When the commissary is closed on an Army base, the soldier can buy at the Exchange's convenience store (like a 7-11), for which he pays substantially higher prices.

Why the Differences

Many soldiers have spent enough time on Air Force bases to recognize and agree with the generalizations above. Most ascribe the differences to money: they think that the Air Force has more money.

It's not money. Paint is cheap, especially if volunteers apply it. It costs little to put up a few readable signs. It costs no more to pay travel vouchers quickly or to fill prescriptions quickly; it probably saves money.

The differences reflect what's important to the two Services. The Air Force cares about the appearance of buildings. The Air Force cares about whether an airman gets his money back after a TDY trip. The Air Force cares about an airman's attitude toward the dining hall or the barracks.

When I visit an Air Force base, I'm shown around the base by the installation commander (colonel to major general, depending on the base), who explains why a new building is needed, where it should go, what kind of improvements are programmed years in the future, and what's wrong with the base now. The commander is likely to view his main job as taking care of the airmen; his deputies can take care of the operations or the training schedule or maintenance or whatever, but the installation commander is clearly in charge of taking care of the airmen.

When I visit an Army base I am likely to be shown around by the director of engineering and housing. The installation commander views his job as seeing to the mission of the installation; the garrison operation is often beneath him.

(This situation is changing for the better. First of all, in Europe the installation commander -- called the community commander -- is typically a brigadier general who serves as a deputy commanding general of his division. His job is clearly to take care of the soldiers. In the United States the Army has been assigning some garrison commands to young promotable colonels. Their zest for taking care of soldiers matches that of any Air Force wing commander).

The Air Force base commander carries a two-way radio ("brick") everywhere. If something goes wrong, it's an emergency. The commander wants (needs) to know about it at once. A broken toaster in the dining hall must be repaired immediately. The Air Force doesn't want airmen taking a broken toaster casually, for fear they might take a broken airplane casually. In contrast, a broken dishwasher went unrepaired for weeks at an Army base while soldiers ate from paper plates.

How can it be said that the Army doesn't care? After all, it's a bone-deep belief that an officer must care for his soldiers. Caring is taught at West Point, it's taught in leadership courses at all levels: The first responsibility of an officer is to see that the troops have food, shelter, and toilets.

Caring is Army doctrine. (In fact, it is Air Force doctrine too, and has been since the Air Force was the Army Air Corps). So why does the Army care so little about soldiers' workplaces, time spent waiting for reimbursements, the other things mentioned previously? And why does the Air Force care so much?

Here's a guess: it has to do with how officers in the two Services think of themselves and of the people they lead.

Army leaders think of themselves as leaders of soldiers in ground warfare; "mud soldiers" who in war won't have any need for fancy barracks, dishwashers, well-equipped maintenance facilities, or TDY reimbursements.

Air Force leaders think of themselves as aviators, dependent for survival in peacetime and in war on the airmen maintaining the airplanes properly. They fight any hint of satisfaction with imperfection, because they know that imperfection leads to death.

Whatever the cause for the differences between the Services, the Army would benefit greatly by treating soldiers better. Quality leads to more quality. Quality maintenance facilities lead to quality maintenance. Treating soldiers at the dining hall or finance office as though they are important, makes them feel important. The more important they feel, the better they'll be. The prouder they are, the more they'll accomplish. The Army must make its facilities and base services more like the Air Force. The Army can't afford not to.

That's how I see it.

I've been trying to change things by celebrating loudly every Army triumph over shabbiness, mediocrity, and hassling the troops. Perhaps there's a better way, as you suggest. Perhaps graphically describing the differences between Army and Air Force bases might contribute to a change in direction for the Army, and a commitment to elevate care for its people to the level visible in the Air Force.

Please let me know what you think I ought to do next. My only reservation about the unvarnished truth is that many people close their minds when they encounter it.

Best regards,

Bob

Robert A Stone
Deputy Assistant Secretary of Defense
(Installations)

Mr. DICKINSON. If you go from $1 million to $1.5 million as a ceiling for your O&M that they use for unapproved reduction—what am I trying to say?

Mr. STONE. Minor construction.

Mr. DICKINSON. What will that do?

Mr. STONE. It will increase the size of the projects that we can proceed with independent of the long process of budget preparation.

Mr. DICKINSON. I understand that. I am just asking the dimensions of what it would do for you.

Mr. STONE. I have got some numbers here. In this year's budget it would have allowed 123 projects to get started probably a couple of years ago. Many of them we needed a couple of years ago, but we couldn't proceed with them because of the lengthy budget preparation, authorization appropriation.

Mr. DICKINSON. You should have asked for it earlier.

Thank you, Madam Chairwoman.

Mrs. SCHROEDER. General Offringa.

STATEMENT OF GEN. PETER OFFRINGA, ARMY

General OFFRINGA. It is a pleasure for me to be here in round two. I appreciate the opportunity to put my formal statement in the record.

I would just like to make some comments to elaborate on my formal statement.

Our amended budget request is for an authorization of appropriation now of $737 billion in 1990 and $995 billion in 1991, and for family housing for both authorization and appropriation, our request is $1.4 billion in 1990 and $1.6 billion in 1991. Our military construction program has undergone an additional substantial reduction as a result of the priority trade offs that were made within the budget process with a reduction of about $154 million in authorization in MCA in 1990.

We did hold the line on family housing. Although the program is reduced by $30.8 million, that was due solely to a revaluation of the deutsche Mark rate, so there is no cut in the family housing program.

In going through the process of amending the budget, the Army appropriations were developed using basically the same overall priority set up as in the original budget. Those priorities were: maintaining the readiness of the existing force, providing modernization and providing investment and quality of life resources. If you break down the reductions, about 4 percent of the reduction was a reprogramming of a 1990 project into 1989. About 11 percent was cancellation of projects that were impacted by base closure. About 55 percent of the budget or $84 million came from reductions in overseas programs.

I will point out that this will have a major impact on soldiers and families overseas. Seven percent was for planning and design reduction and 23 percent was from projects within the continental United States; the primary one of these was the deferral of the headquarters for the special operations command from 1990 to 1991.

As a result of these budget reductions, our construction in the continental United States is 62 percent of the total request while the overseas program has been reduced to a very hard core 26 percent of the amended budget.

Those projects remaining in the overseas program are most critical for that one-third of the Army force structure stationed overseas.

This budget reduction was an extremely painful exercise for the Army. Our reduced construction program was necessary for us to stay within the strict overall budget constraints, fund those programs to maintain our military mission, and sustain us.

Your approval of our budget as amended will assist us to continue to maintain the Army's worldwide readiness and improve our war fighting capabilities, provide adequate housing for soldiers, meet our statutory and regulatory requirements and provide those facilities that we can to attract and retain quality soldiers.

Madam Chairwoman, this concludes my statement. I will be pleased to answer any questions.

Mrs. SCHROEDER. Thank you.

PREPARED STATEMENT OF MAJ. GEN. PETER J. OFFRINGA

OPENING STATEMENT

Madam Chairwoman and Members of the Subcommittee. I am Major General Peter J. Offringa, Assistant Chief of Engineers, Office of the Chief of Engineers, Department of the Army.

I am pleased to come here and present the amendment to Army's portion of the Military Construction Authorization Request for fiscal years 1990 and 1991. I believe this program will better align our most pressing construction requirements to the limited resources available under the reductions in the Defense Department. The program presented requests authorization of appropriation for Military Construction, Army (MCA) of $737,100,000 in fiscal year 1990 and $995,300,000 in fiscal year 1991, and for Family Housing, Army (AFH) we request authorization of $1,438,200,000 in fiscal year 1990 and $1,617,250,000 in fiscal year 1991.

This budget represents a reduction from our prior authorization request in both MCA and AFH, $154,740,000 and $30,800,000, respectively, in fiscal year 1990 and $187,300,000 and $37,300,000 in fiscal year 1991 due to the fiscal constraints that were jointly agreed to by the Administration and the Congress. The amended biennial budget represents the Army's efforts to retain a logical, executable program; maintain the readiness of the existing force; ensure that the existing force is sustainable; and continue to provide facilities modernization, investment and quality of life resources. We also balanced the request between construction in the United States and overseas in the amendment to the fiscal years 1990 and 1991 programs. The family housing portion of this amended budget has been reduced only for the changes in the estimates of future foreign currency exchange rates.

The major change to the budget was to delay our lower priority projects from the fiscal year 1990 program to fiscal year 1991, while modifying that years' program by deferring lower priority projects to the outyears.

Now, with your permission I will present the details of the amendment to the fiscal years 1990 and 1991 program, highlight selected initiatives that were modified by the amendment and show the balance that this amendment achieves in support for the total Army. First, let us look at the three primary perspectives of our soldiers in the MCA program; working, training and living conditions.

WORKING AND TRAINING CONDITIONS

The amended budget did not change the emphasis on working and training conditions although the percentage of the program devoted to these areas changed slightly. In fiscal year 1990 the percent declined two percent to forty-nine percent while in fiscal year 1991 we increased the percentage of the program dedicated to working and living conditions by two percent to a new total of fifty-five percent. A total of $366,110,000 is now included in the fiscal year 1990 request and $549,210,000 in 1991 to ensure this support will be sustained.

The new fiscal years 1990 and 1991 requests include $90,100,000 and $75,920,000 for Operational projects, $67,320,000 and $90,980,000 for Training ranges and facilities, $168,800,000 and $350,780,000 for Maintenance and Production, $43,240,000 and $31,530,000 for Research, Development, Test and Evaluation.

LIVING CONDITIONS

The operational necessity of sustaining a ready Army and high priority defense initiatives have forced us to slow down on our quality of life programs. Thus, the amended budget has reduced troop housing and community support facilities by $36,410,000 in fiscal year 1990 and $61,330,000 in fiscal year 1991 for a new total of $101,280,000 or fourteen percent in 1990 and $150,710,000 or fifteen percent in 1991.

In the Unaccompanied Personnel Housing category, the fiscal year 1990 request has been reduced twenty-two percent to $63,200,000, while in fiscal year 1991, we have reduced the request by twenty-seven percent for a new total of $85,250,000.

Although this area has been reduced approximately thirty percent each year, we believe that we are continuing to improve the quality of life of many of our soldiers and their families. With your approval of the program now before you, we will continue these essential programs. Our request includes a mix of the thirteen most critically needed community facility projects totaling $48,080,000 in fiscal year 1990 and an additional twenty projects for $65,460,000 in fiscal year 1991 as indicated in the following display:

COMMUNITY FACILITY PROJECTS

	FY 1990	FY 1991
Chapel	1	1
Chapel Center & Child Development Center	1	1
Child Development/Religious Ed Center	2	0
Child Development Center/Addition	6	6
Education Center/Addition	0	2
Physical Fitness Training Center	1	4
Recreation Center	1	0
Snack Bar Upgrade/Cadet Club	0	1
Post Office	1	0
Community Support Facility	0	1
Multi-Purpose Auditorium Facility	0	1
Fire Station	0	3

GEOGRAPHICAL DISTRIBUTION HIGHLIGHTS

UNITED STATES

The amended budget request inside the United States provides $465,780,000 or 63 percent of the fiscal year 1990 program, and $613,870,000 or 62 percent of the fiscal year 1991 program. This is five percent more than originally planned for CONUS in fiscal year 1990 and three percent more in fiscal year 1991.

EUROPE

Our construction program for the United States Army, Europe (USAREUR) has been decreased 41 percent, $84,460,000, in fiscal year 1990 for a new total of $121,000,000. The fiscal year 1991 program was reduced twenty-nine percent, $68,260,000, for a new total of $167,360,000. In relation to total requirements of USAREUR, this is an extremely austere program especially in light of the deplorable conditions many of our soldiers work under in Europe. Your full support of this reduced program will provide the absolute minimum level needed to support the military mission of our deployed soldiers and continue to sustain the fielding of weapon systems vital to U.S. interest in the peace in this theater.

The emphasis of this amended program is on facilities to support the military mission and operational and training functions with 18 of the 21 projects in fiscal year 1990 and 25 of 34 projects in fiscal year 1991 dedicated to this end. The program also supports some quality of life projects for our soldiers in Europe.

WESTERN PACIFIC

The Army continues to support its commitment to the Eighth, U.S. Army (EUSA), Korea, with a $47,750,000 fiscal year 1990 request, which is a 6 percent reduction from the original request. In fiscal year 1991 we are now requesting $71,540,000, a 20 percent reduction, in support of EUSA and $14,800,000 for the U.S. Army, Japan. This program has received minimum reductions since the majority of the program in both 1990 and 1991 is allocated to replacing the deplorable housing facilities used by the 2d Infantry Division and support organizations. In fiscal year 1990 fifty-eight percent of the funds are for housing projects, down two percent, while in fiscal year 1991 over seventy-three percent, up one percent, will be dedicated to this end.

CENTRAL AMERICA

We have made only minor changes to the construction program in this region. In fiscal year 1990, we are requesting Panama's top priority project totalling $7,200,000. The aircraft apron extension will ensure safe operations of the additional, larger helicopters being stationed in Panama and cannot be delayed due to safety considerations. A project in Honduras for replacing wooden "cat hut" tents with relocatable billets, which will provide improved temporary living conditions to personnel assigned to this remote site, was deferred to the fiscal year 1991 program. This will be the last of the barracks upgrade program in Honduras.

SPECIAL PROGRAM HIGHLIGHTS

USAREUR INITIATIVES

Although we have reduced the program in the European Theatre we still have several important initiatives that depend on facilities included in this amended request. These projects will sustain the momentum of our previous programs and provide the required military support for our soldiers and equipment.

The relocation of ground combat units to Vilseck and the Army Aviation Restationing initiatives are continued in the requests for both fiscal years 1990 and 1991. Projects submitted are critical for the fielding of ground combat units and AH-64 Attack Helicopter battalions and are therefore continued as originally scheduled.

Establishment of the Combat Maneuver Training Complex (CMTC) at Hohenfels, which will allow USAREUR armor and mechanized infantry battalions to train in a realistic battlefield environment, has basically been continued. However, several of the support facilities have been delayed but with your support of our revised budget we will still be able to achieve the goal of providing fully operational, realistic training to our forward deployed combat units in USAREUR.

Projects to continue construction in support of operations of the Northern Army Group at the Reichel Complex in Rheinberg have been delayed from fiscal year 1990 to 1991. The projects now included in the fiscal year 1991 request continue the program that began in fiscal year 1987 and are necessary to ensure that the program will be completed. As you know, this complex is being developed as a result of a threat analysis and is ideally located to provide logistical support and coordination in this area.

SPECIAL OPERATIONS FORCES

The Army continues on its planned expansion and enhancement of the Special Operations Forces authorized by Congress, but has modified the fiscal year 1990 request by delaying the construction of the Headquarters Building for the 1st Special Operations Command (SOCOM) to fiscal year 1991. The fiscal year 1990 budget now contains $16,850,000 while fiscal year 1991 is $25,800,000. In fiscal year 1990, we have continued to request funds for the Combat Divers Training Facility to be constructed at Fleming Key, FL, for the J.F. Kennedy Special Warfare Center at Fort Bragg, NC. The amendment changes the location of the fiscal year 1990 project for the flight simulator from Fort Rucker, AL, to Fort Campbell, KY, in order to maximize utilization of this facility at the location where most of our forces using the simulator are stationed. The remaining project in 1990 provides the additional facilities for the Special Operations Aviation units at Fort Campbell, KY. In fiscal year 1991 in addition to the SOCOM headquarters, we have continued the facilities for Special Operations Forces located at Fort Stewart, GA.

CURRENCY REVALUATION IMPACTS

The Army continues to have a concern with the value of the dollar and its impact on our construction program. The request for fiscal years 1990 and 1991 is now budgeted at 1.89 DM per dollar in accordance with the Office of Management and Budget Guidelines, and the price of overseas projects have been lowered to reflect this. The improvement of the value of the dollar, and the reduced European construction program in fiscal years 1990 and 1991 will reduce the impact on our program in future years. But there will still be a problem in the near term since rates from 1986 through 1989 were budgeted at rates varying from 2.99 to 2.06 DM per dollar. I mention this today since it may be a problem that we have to jointly consider. This is the most critical problem we have in awarding and constructing the program requested.

BUDGET REQUEST ANALYSIS
OVERVIEW
MILITARY CONSTRUCTION, ARMY

The amended fiscal year 1990 MCA budget request includes a request for new authorization of $698,100,000 along with a companion request for total obligational authority of $745,300,000. In our amended fiscal year 1991, we are requesting new authority for $956,300,000 with a companion request for total obligational authority of $995,300,000.

The difference in the Authorization and Appropriation requests in fiscal year 1990 is due to the previously authorized construction at Red River Army Depot, fiscal year 1989 advance authorization of $88,000,000, and high priority projects in Germany for which appropriation could not be provided in fiscal year 1989 due to budget constraints ($8,200,000). In fiscal year 1991, the difference between the Authorization and Appropriation is the previously authorized construction at Red River Army Depot. This is summarized on the following chart:

	FY 90 ($ 000)	FY 91 ($ 000)
Previous Authorizations:	47,200	39,000
Red River AD	(39,000)	(39,000)
Europe Projects	(8,200)	(0)
New Project Authorization:	698,100	956,300
Red River AD	39,000	39,000
Authorization of Appropriations	737,100	995,300
Appropriations Requested	745,300	995,300

The difference in the amended authorization and appropriations request, by facility category, is shown in TABLE 1:

TABLE 1

FACILITY CATEGORY	FY 90 MCA AUTHORIZATION ($000)	APPROPRIATION ($000)
Operations and Training	154,070	157,420
Maintenance and Production	168,800	168,800
Research, Development, Test and Evaluation	43,240	43,240
Supply & Administrative	91,550	134,100
Unaccompanied Housing	53,200	53,200
Community	48,080	49,380
Utilities & Real Estate	53,740	53,740
Design/Minor	85,420	85,420
Total	698,100	745,300

TABLE 1 (CONTINUED)

FACILITY CATEGORY	FY 91 MCA AUTHORIZATION ($000)	FY 91 MCA APPROPRIATION ($000)
Operations and Training	166,900	166,900
Maintenance and Production	350,780	350,780
Research, Development, Test and Evaluation	31,530	31,530
Supply & Administrative	51,050	90,050
Unaccompanied Housing	85,250	85,250
Community	65,460	65,460
Utilities & Real Estate	96,800	96,800
Design/Minor	108,530	108,530
Total	956,300	995,300

TABLE 2 shows the amended facility categories in which funds are requested and the percentage of the construction dollars by category.

TABLE 2 - FISCAL YEARS 1990-1991
MILITARY CONSTRUCTION, ARMY, PROGRAM
FACILITY CATEGORY SUMMARY

FACILITY CATEGORY	FY 1990 COST ($000)	%	FY 1991 COST ($000)	%
Operations and Training	157,420	21	166,900	17
Maintenance and Production	168,800	23	350,780	35
Research, Development, Test and Evaluation	43,240	6	31,530	3
Supply & Administrative	134,100	18	90,050	9
Unaccompanied Housing	53,200	7	85,250	8
Community	49,380	7	65,460	7
Utilities & Real Estate	53,740	7	96,800	10
Design/Minor	85,420	11	108,530	11
Total	745,300	100	995,300	100

TABLE 3 shows our amended fiscal years 1990 and 1991 distribution of the appropriation request among major commands in the United States and overseas. Construction projects in the United States account for $465,780,000 in fiscal year 1990, sixty-three percent, and $613,870,000 in fiscal year 1991, sixty-two percent. Construction projects outside the United States are only twenty-six percent in fiscal year 1990, $194,100,000 and twenty-seven percent, $267,400,000, in fiscal year 1991. This request also calls for planning and design, and unspecified minor construction of $ 85,420,000 in fiscal year 1990. In fiscal year 1991, this is increased, along with a request for access roads, for a total request of $114,030,000.

TABLE 3 - PROPOSED FISCAL YEAR 1990-1991 MILITARY CONSTRUCTION, ARMY, PROGRAM COMMAND SUMMARY

FY 1990

COMMAND	COST ($000)	PERCENTAGE OF TOTAL
INSIDE THE UNITED STATES		
Forces Command	218,540	29.3
Training and Doctrine Command	67,020	9.0
Army Materiel Command	119,190	16.0
Western Command	19,300	2.6
Information Systems Command	10,530	1.4
Army Health Services Command	2,300	0.3
Military District Washington	23,000	3.1
Other	5,900	0.8
Total	465,780	62.5
OUTSIDE THE UNITED STATES		
US Army, Europe	121,000	16.2
Eighth US Army, Korea	47,750	6.4
Strategic Defense Command	9,500	1.3
Southern Command	7,200	1.0
Intelligence Command	2,550	0.3
Other	6,100	0.8
Total	194,100	26.0
OTHER		
Planning and Design	74,420	10.0
Unspecified Minor Construction	11,000	1.5
Total	85,420	11.5
Total obligation authority requested:	745,300	100.0

TABLE 3 (CONTINUED) - PROPOSED FISCAL YEAR 1990-1991 MILITARY CONSTRUCTION, ARMY, PROGRAM COMMAND SUMMARY

	FY 1991	
COMMAND	COST ($000)	PERCENTAGE OF TOTAL
INSIDE THE UNITED STATES		
Forces Command	266,030	26.7
Training and Doctrine Command	143,450	14.4
Army Materiel Command	177,380	17.8
Western Command	9,600	1.0
Intelligence Command	860	0.1
Information Systems Command	5,400	0.5
Army Health Services Command	550	0.1
Military District Washington	3,700	0.4
Other	6,900	0.7
Total	613,870	61.7
OUTSIDE THE UNITED STATES		
US Army, Europe	167,360	16.8
Eighth US Army, Korea	71,540	7.2
US Army, Japan	14,800	1.5
Southern Command	2,400	0.2
Intelligence Command	800	0.1
Other	10,500	1.0
Total	267,400	26.8
OTHER		
Access Roads	5,500	0.6
Planning and Design	96,530	9.7
Unspecified Minor Construction	12,000	1.2
Total	114,030	11.5
Total obligation authority requested:	995,300	100.0

ARMY FAMILY HOUSING

The amended fiscal years 1990 and 1991 requests sustain efforts started in prior years to improve the operational readiness of the Army while, at the same time, provide quality of life improvements necessary to attract and retain dedicated individuals to serve in the Army. Slight reductions in the AFH request reflect improvement in the value of the dollar overseas.

Adequate family housing continues to be one of our top priorities. This amended budget request reflects the Army's commitment to provide suitable housing for our soldiers and to maintain the quality of the facilities entrusted to our stewardship by only reducing the request by the impact of foreign currency exchange rates.

OVERVIEW

The fiscal years 1990 and 1991 AFH budget includes a request for $1,438,200,000 and $1,617,250,000 in authorization, respectively, while an accompanying request for appropriation is for $1,438,200,000 in fiscal year 1990 and $1,617,250,000 in fiscal year 1991, as shown in the following chart:

PROPOSED FISCAL YEARS 1990 and 1991
ARMY FAMILY HOUSING PROGRAM
AUTHORIZATION AND APPROPRIATION SUMMARY

FACILITY CATEGORY	FY 90 APPROPRIATION ($000)	FY 91 APPROPRIATION ($000)
New Construction	17,522	15,300
Post Acquisition Construction	36,329	40,010
Planning and Design	1,349	3,190
Operations	204,596	202,305
Utilities	296,784	305,643
Maintenance	562,120	596,619
Leasing	319,142	453,884
Debt Interest	58	49
Debt Principal	300	250
TOTAL	1,438,200	1,617,250

SUMMARY

Madam Chairwoman, in summary, the fiscal years 1990 and 1991 Military Construction Army, request for new authorization is $698,100,000 and $956,300,000, respectively. The request for authorization of appropriation is $737,100,000 and $995,300,000 in fiscal years 1990 and 1991 due to the advanced authorization for the AOD at Red River Army Depot and authorization available from previous years. With available prior year authorization, a corresponding appropriation of $745,300,000 in fiscal year 1990 and $995,300,000 will provide a minimum support to Army, Defense and National initiatives, our efforts to get equipment out of the mud, provide adequate housing for soldiers, eliminate obsolete and deficient work areas, meet statutory and regulatory requirements, and continue to send a message to our soldiers that their government cares. Approval of this amended request will continue the efforts of the Army and Congress, to provide modern facilities enabling us to attract and retain quality soldiers and maintain worldwide operational readiness and war fighting ability. In the Family Housing area we continue to stress the importance of this program by continuing to fund AFH at the original program level.

Madam, this concludes my statement. I would be pleased to answer any questions or arrange for answers to be inserted in the record.

Mrs. SCHROEDER. Admiral Montoya, we welcome you. We will put your statement in the record. The floor is yours.

STATEMENT OF ADM. BENAJAMIN MONTOYA, NAVY

Admiral MONTOYA. I come today with a bit of a cold because I think I had too good of a time yesterday in New York and I stayed up too late.

Yesterday in seeing the progress we are making on the construction in New York was delightful; we are producing a quality base. I see a base coming out of the ground that is going to have a significant impact on the quality of life of the sailors of those seven ships. We have a new, wide pier. We have a new shore facility being built that is going to provide these sailors a clean, modern, and roomy place in which to work. There are 400 units of military construction housing being built with beautiful views of the bridge and the entrance to the New York Harbor. We have another 1,000 units of Section 801 family housing approved and we are seeking authorization for construction at the homeport site. I feel the same way about the sites along the Gulf Coast. We are, in fact, going to build very compact, very efficient, very high quality bases where our people can afford to live, unlike some of the places where we now have our fleets.

So, it was very encouraging.

The budget submission we have representing President Bush's budget is very close to what we previously submitted. The difference is the slight reduction in the military construction portion of it. The reduction of $8.9 million in fiscal year 1990 reflects the fact we have taken out the projects targeted for Lake Charles, Louisiana and Galveston, TX. Then, we had a repricing of another project. The project is still there. We lowered the cost estimate. That accounts for the entire reduction.

The housing program we submitted before is still the same housing program with some price adjustments reflecting a favorable foreign currency situation overseas.

As I mentioned previously, when one looks to the positive side of things even in a downturn, the positive side of our budget is the fact, even though we have reduced 1989 to 1990 and 1991, that most of the reduction has taken place in what we would call the new mission portion.

We have increased the portion of the budget that supports the current mission in fiscal year 1990. Therefore, the quality of life component is up proportionately from prior years.

Madam Chairwoman, even though our dollars are down, I am optimistic that the kinds of things we are doing are going to improve the quality of life for a lot of our people at a number of our places.

Thank you very much for the time.

Prepared Statement of Rear Adm. Benjamin F. Montoya

MADAM CHAIRWOMAN, I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO REVIEW THE NAVY'S AMENDED FISCAL YEAR 1990/1991 BUDGET FOR MILITARY CONSTRUCTION AND FAMILY HOUSING. COMPARED TO PRESIDENT REAGAN'S BUDGET SUBMISSION, THE AMENDED REQUEST REFLECTS REDUCTIONS OF 0.8 PERCENT IN FISCAL YEAR 1990 AND 4.8 PERCENT IN FISCAL YEAR 1991 AS INDICATED ON THE ATTACHED SUMMARY.

THE FISCAL YEAR 1990 MILITARY CONSTRUCTION ACCOUNT HAS BEEN REDUCED BY $8.9 MILLION. THE MAJORITY OF THIS AMOUNT, $7.8 MILLION, IS FOR THE DELETION OF PROJECTS AT THE NAVAL STATIONS AT LAKE CHARLES, LOUISIANA AND GALVESTON, TEXAS AS A RESULT OF BASE CLOSURE ACTIONS. THE REMAINING $1.3 MILLION IS FOR A REDUCTION TO THE INDUSTRIAL SUPPORT COMPLEX PROJECT AT THE NAVAL SHIPYARD PUGET SOUND, WASHINGTON, REFLECTING A REVISED COST ESTIMATE.

THE FISCAL YEAR 1991 MILITARY CONSTRUCTION ACCOUNT HAS BEEN REDUCED BY $99.3 MILLION. THIS ADJUSTMENT REPRESENTS THE DEFERRAL OF 24 LOWER-PRIORITY PROJECTS IN THE AMOUNT OF $99.52 MILLION, THE REDUCTION OF PLANNING AND DESIGN BY $500,000, AND THE INCREASE OF THE WEAPONS SCHOOL ADDITION PROJECT AT THE NAVAL AIR STATION, MIRAMAR, CALIFORNIA BY $720,000, REFLECTING THE CURRENT ESTIMATED COST FOR THE PROJECT.

THE FAMILY HOUSING ACCOUNTS FOR FISCAL YEARS 1990 AND 1991 HAVE BEEN REDUCED BY $6.1 MILLION TO ACCOUNT FOR FOREIGN CURRENCY ADJUSTMENTS. THE LARGEST PORTIONS OF THESE REDUCTIONS, $5.7 MILLION IN FISCAL YEAR 1990 AND $5.7 MILLION IN FISCAL YEAR 1991, ARE FROM THE OPERATION AND MAINTENANCE ACCOUNTS WITH THE BALANCE FROM THE CONSTRUCTION IMPROVEMENTS ACCOUNTS.

MADAM CHAIRWOMAN, AS INDICATED IN THE BRIEF SUMMARY I HAVE PROVIDED TO YOU, OUR BUDGET REQUEST HAS NOT CHANGED SUBSTANTIALLY FROM THE ONE THAT I PRESENTED TO YOU TWO MONTHS AGO. IT IS STILL A MODEST, BUT WELL STRUCTURED REQUEST THAT PROVIDES FOR THE ORDERLY COMPLETION OF NEW MISSION INVESTMENTS WHILE INCREASING FUNDING LEVELS FOR SUPPORTING CURRENT MISSIONS AND THE REVITALIZATION OF OUR AGING PLANT. WE CONTINUE TO PLACE EMPHASIS ON FACILITIES THAT DIRECTLY ENHANCE THE QUALITY OF LIFE OF OUR PEOPLE OR THOSE FACILITIES ESSENTIAL TO THE FUTURE OF OUR NAVY. THE AMENDED REQUEST DOES NOT ALTER OUR STRONG COMMITMENT TO OPTIMIZE THE MANAGEMENT OF OUR FACILITIES TO FURTHER ENHANCE THE BASE SUPPORT FOR OUR OPERATING FORCES. MADAM CHAIRWOMAN, WE SOLICIT YOUR FAVORABLE SUPPORT OF OUR AMENDED REQUEST.

FISCAL YEAR 1990/1991 NAVY MILITARY CONSTRUCTION & FAMILY HOUSING

FY 1990

	BUDGET ($000)		REDUCTION	
	ORIGINAL	AMENDED	($000)	(%)
MILITARY CONSTRUCTION	1,142,100	1,133,200	8,900	0.8
FAMILY HOUSING	758,283	752,200	6,083	0.8
TOTAL	1,900,383	1,885,400	14,983	0.8

FY 1991

	BUDGET ($000)		REDUCTION	
	ORIGINAL	AMENDED	($000)	(%)
MILITARY CONSTRUCTION	1,310,300	1,211,000	99,300	7.6
FAMILY HOUSING	877,107	871,100	6,007	0.7
TOTAL	2,187,407	2,082,100	105,307	4.8

Mrs. SCHROEDER. General Downs from the Marine Corps. Welcome.

STATEMENT OF BRIG. GEN. MICHAEL P. DOWNS, MARINE CORPS

General DOWNS. Thank you for this opportunity to present the Marine Corps' MilCon and Family Housing programs as reflected in President Bush's amended budget submission. Our fiscal year 1990 MilCon submission remains unchanged. However, our fiscal year 1991 program has been reduced by $20.5 million to a new level of $141 million. Five projects have been deleted, one in the operations and training category, three in maintenance and one in administration. The need for these projects remains valid and these projects are now being deferred, not canceled.

Meanwhile our family housing program is essentially intact having sustained only minor reductions of $550,000 in fiscal year 1990 and $401,000 in fiscal year 1991. These cuts were determined to be our share of the foreign currency fluctuation cut directed in response to a more favorable yen to dollar ratio.

That concludes my statement.

Mrs. SCHROEDER. Thank you.

General Ahearn.

STATEMENT OF GEN. JOSEPH AHEARN, AIR FORCE

General AHEARN. My statement will be brief. It starts with a note of gratitude for the opportunity to come back to identify the changes that we have in the 1990 and 1991 budget revision. The changes occurred mainly in the area of support construction for new missions.

We worked hard at and did maintain the budget for the infrastructure development for our current missions and for our military family housing. Overall MilCon and military housing combined our revised authorization request for fiscal year 1990 is $2.4 billion, down $142 million from the January submittal but up $204 million from our fiscal year 1989 request. The decrease of $142 million is composed of $135 million reduction for military construction and about $7 million for foreign currency adjustments for our military family housing.

The $135 million MilCon reduction came from adjustments to our Peacekeeper program and for our launch complex at Vandenberg Air Force Base.

Madam Chairwoman and Members, thank you for the opportunity to speak.

PREPARED STATEMENT OF MAJ. GEN. JOSEPH A. AHEARN

MADAM CHAIRWOMAN AND MEMBERS OF THE COMMITTEE, I AM MAJOR GENERAL BUD AHEARN, DIRECTOR OF ENGINEERING AND SERVICES, UNITED STATES AIR FORCE. I AM PLEASED TO BE PRESENTING THE AIR FORCE'S REVISED MILITARY CONSTRUCTION REQUEST FOR FISCAL YEARS 1990 AND 1991. WE ARE ALL AWARE THAT THE REVISED BUDGET SUBMITTED TO THE CONGRESS LAST WEEK REDUCED THE OVERALL DEPARTMENT OF DEFENSE REQUEST FOR FISCAL YEAR 1990 AND 1991 BY $10 BILLION AND $9.9 BILLION RESPECTIVELY. THIS REDUCTION WILL HAVE AN IMPACT ON OUR NEW MISSION MILITARY CONSTRUCTION THAT SUPPORTS WEAPON SYSTEMS BEDDOWNS. RECOGNIZING THAT ALL ELEMENTS OF THE DEFENSE BUDGET WOULD BE ASSESSED VERY CLOSELY, WE WORKED HARD TO MAINTAIN THE FAMILY HOUSING AND CURRENT MISSION AREAS OF OUR PROGRAM AT THE LEVELS OF ORIGINAL BUDGET SUBMISSION. WE WERE SUCCESSFUL AND IN FACT WE SHOW AN INCREASE FOR CURRENT MISSION PROJECTS IN THE REVISED FISCAL YEAR 1991 REQUEST.

OVERVIEW

OUR REVISED REQUEST FOR MILCON AND FAMILY HOUSING IN FISCAL YEAR 1990 IS $2.401 BILLION AND $2.709 BILLION FOR FISCAL YEAR 1991. OUR REVISED FISCAL YEAR 1990 REQUEST REPRESENTS A DECREASE OF $143 MILLION FROM THE JANUARY LEVELS BUT STILL AN INCREASE OF $204 MILLION OVER OUR FISCAL YEAR 1989 REQUEST. THE FISCAL YEAR 1990 AND 1991 INCREASES REPRESENT A COMMITMENT ON THE PART OF OUR LEADERSHIP TO PROVIDE A QUALITY WORKING AND LIVING ENVIRONMENT FOR OUR PEOPLE. THIS INVESTMENT IMPROVES PRODUCTIVITY AND RETENTION.

OUR MILITARY CONSTRUCTION SUBMITTAL IS BROKEN INTO TWO MAJOR SECTIONS - MILCON AND MILITARY FAMILY HOUSING. THE MILCON PART OF

OUR REVISED FISCAL YEAR 1990 AUTHORIZATION REQUEST IS $1.385 BILLION, A DECREASE OF $135 MILLION OVER THE JANUARY 1989 AUTHORIZATION REQUEST. OUR REVISED FISCAL YEAR 1991 REQUEST OF $1.606 BILLION IS AN INCREASE OF $27 MILLION. THE FAMILY HOUSING SECTION OF OUR REVISED FISCAL YEAR 1990 AUTHORIZATION REQUEST IS $1.016 BILLION, A DECREASE OF $7 MILLION. OUR REVISED FISCAL YEAR 1991 REQUEST OF $1.103 BILLION IS A DECREASE OF $7 MILLION FROM THE JANUARY 1989 REQUEST. THE DECREASES IN THE FAMILY HOUSING REQUESTS ARE THE RESULT OF FOREIGN CURRENCY ADJUSTMENTS.

AT THIS POINT I WOULD EMPHASIZE SECRETARY OF DEFENSE CHENEY'S PRIORITIES OUTLINED BEFORE THE FULL COMMITTEE LAST WEEK. HE SAID, "MY TOP PRIORITIES ARE QUALITY PEOPLE, FORWARD STRATEGY, READINESS AND SUSTAINABILITY, EFFICIENT PROCUREMENT AND STRATEGIC MODERNIZATION." THE AMENDMENTS TO OUR MILCON REQUEST WERE MADE IN CONTEXT WITH THESE PRIORITIES.

I WILL NOW DISCUSS IN MORE DETAIL THE MAJOR DIFFERENCES BETWEEN THE TWO BUDGET REQUESTS.

PEACEKEEPER - RAIL GARRISON

THE REVISED FISCAL YEAR 1990 REQUEST REDUCES FUNDING FOR PEACEKEEPER - RAIL GARRISON FROM $219 MILLION TO $117 MILLION SUPPORTING CONSTRUCTION AT F.E. WARREN AIR FORCE BASE, WYOMING AND PLANNING AND DESIGN. THE AMENDED FISCAL YEAR 1991 REQUEST REDUCES FUNDING FROM $317 MILLION TO $271 MILLION.

THE ORIGINAL FISCAL YEAR 1990 AUTHORIZATION REQUEST SUPPORTED MILCON AT F.E. WARREN AIR FORCE BASE AND FOLLOW ON BASES. THE REVISED FISCAL YEAR 1990 AUTHORIZATION REQUEST SUPPORTS MILCON AT F.E. WARREN AIR FORCE BASE ONLY. THE REVISED

FISCAL YEAR 1991 MILCON AUTHORIZATION REQUEST SUPPORTS CONSTRUCTION AT F.E. WARREN AIR FORCE BASE AND AT FOLLOW-ON LOCATIONS THAT HAVE NOT YET BEEN ANNOUNCED.

WHILE THE FISCAL 1990 REQUEST HAS BEEN REDUCED, WE WILL STILL BE ABLE TO ACHIEVE AN INITIAL OPERATING CAPABILITY BY JUNE 1992.

B-2 BOMBER

FOR FISCAL YEAR 1990, THE AIR FORCE REQUESTED AUTHORIZATION OF $100.5 MILLION FOR THE THIRD PHASE OF THE BEDDOWN AT WHITEMAN AIR FORCE BASE. FOR FISCAL YEAR 1991, OUR REQUEST AT WHITEMAN AIR FORCE BASE WAS $116.5 MILLION. TO SUPPORT DEPOT MAINTENANCE AT TINKER AIR FORCE BASE, WE REQUESTED $31.8 MILLION IN FISCAL YEAR 1990 AND $23.3 MILLION FOR FISCAL YEAR 1991. THE TOTAL MILCON REQUIREMENT FOR B-2 INCLUDING DESIGN IN FISCAL YEAR 1990 WAS $147.3 MILLION AND FOR FISCAL YEAR 1991 WAS $167.7 MILLION.

THE REVISED BUDGET REQUEST FOR BOTH FISCAL YEAR 1990 AND 1991 DOES NOT CHANGE THE TOTAL AUTHORIZATION REQUESTED, HOWEVER, THERE IS A RESTRUCTURING OF PROJECTS REQUIRED TO SUPPORT INITIAL OPERATING CAPABILITY AT WHITEMAN AIR FORCE BASE. ONE LESS AIRCRAFT DOCK WILL BE REQUIRED. KEY SUPPORT FACILITIES FOR OUR AIRMEN ARRIVING IN 1991 AND 1992 HAVE BEEN INCLUDED IN THE REQUEST. FOR THE OUTYEARS, THE AIR FORCE WILL BE REVIEWING, IN DEPTH, THE MILCON REQUIREMENTS TO SUPPORT THE BEDDOWN OF THIS IMPORTANT STRATEGIC SYSTEM AND THIS REVIEW WILL QUITE LIKELY IMPACT SUBSEQUENT LEVELS OF MILITARY CONSTRUCTION INVESTMENT.

IT SHOULD BE UNDERSTOOD THAT THE MILCON REQUEST FOR WHITEMAN AIR FORCE BASE IS FOR INITIAL DELIVERY OF AIRCRAFT WHICH ARE STILL SCHEDULED TO ARRIVE AS PREVIOUSLY ANNOUNCED.

TITAN IV LAUNCH FACILITIES

FOR VANDENBERG AIR FORCE BASE THE AIR FORCE WAS SEEKING AUTHORIZATION TO CONSTRUCT A SECOND LAUNCH COMPLEX THAT WOULD HAVE PROVIDED A TWO-PAD CAPABILITY FOR THE TITAN IV, GIVING US THE ABILITY TO LAUNCH THE TITAN IV WITH THE CENTAUR UPPER STAGE. TO SUPPORT THIS REQUIREMENT, WE WERE REQUESTING AUTHORIZATION OF $17 MILLION IN FISCAL YEAR 1990 TO BEGIN PHASE ONE OF A FOUR PHASE CONSTRUCTION PROGRAM. FOR FISCAL YEAR 1991, WE WERE REQUESTING $48 MILLION FOR PHASE TWO OF THE CONSTRUCTION PROGRAM. COMPLETION OF THE FINAL TWO PHASES WAS ESTIMATED TO COST $40 MILLION.

OUR NATIONAL PROGRAMS STILL DRIVE A NEED FOR TWO LAUNCH PADS ON THE WEST COAST. HOWEVER, DUE TO BUDGET CONSTRAINTS, WE HAVE MOVED THE INITIAL LAUNCH CAPABILITY FOR THIS SECOND PAD TO FISCAL YEAR 1996 AND HAVE DEFERRED THE MILCON FACILITY REQUIREMENT FOR TWO YEARS.

IN THE REVISED FISCAL YEAR 1990 BUDGET THE AIR FORCE IS REQUESTING $89 MILLION FOR THE CONSTRUCTION OF A NEW SOLID ROCKET MOTOR ASSEMBLY BUILDING (SRMAB) TO ALLOW FOR ASSEMBLY AND PROCESSING OF THE SOLID ROCKET MOTOR UPGRADE FOR THE TITAN IV AT CAPE CANAVERAL AIR FORCE STATION, FLORIDA.

OTHER MAJOR CHANGES TO THE REVISED AUTHORIZATION REQUEST TOOK PLACE IN THE CURRENT MISSION MILCON FOR FISCAL YEAR 1991 WHERE THERE IS A NET INCREASE OF $132 MILLION. IN LIGHT OF THE ADJUSTMENTS IN WEAPONS SYSTEMS ACQUISITION AND REALIGNMENT IN MILCON PROJECTS SUPPORTING THESE SYSTEMS, THE AIR FORCE ELECTED TO RESTORE THE MUCH NEEDED BASE INFRASTRUCTURE CONSTRUCTION PROJECTS TO THE PROGRAM.

CONCLUSION

MADAM CHAIRWOMAN, IN MY PREVIOUS STATEMENT TO THIS COMMITTEE I SAID THAT THE AIR FORCE LEADERSHIP AND THE CONGRESS RECOGNIZE THE IMPACT QUALITY FACILITIES HAVE IN BUILDING AND RETAINING A QUALITY FORCE. OUR REVISED MILCON AND FAMILY HOUSING AUTHORIZATION REQUESTS FULFILL OUR FIRST PRIORITY - COMMITMENT TO OUR PEOPLE AND THEIR MISSION EFFECTIVENESS.

MADAM CHAIRWOMAN, I AM HONORED TO BE ABLE TO APPEAR BEFORE YOU TODAY AND TO REPRESENT THE UNITED STATES AIR FORCE. I AM PREPARED TO ANSWER YOUR QUESTIONS.

BUDGET CHANGES -- MILCON

FY 90

	REAGAN	BUSH
NEW MISSION	991	866
CURRENT MISSION	529	519
	-------	-------
TOTAL MILCON	1520	1385
MFH	1023	1016
	======	=======
TOTAL	2543	2401

AUTH88

BUDGET CHANGES -- MILCON
FY 91

	REAGAN	BUSH
NEW MISSION	983	878
CURRENT MISSION	596	728
	-------	-------
TOTAL MILCON	1579	1606
MFH	1110	1103
	=======	========
TOTAL	2689	2709

BUSH91

Mrs. **Schroeder**. Thank you very much. We appreciate everybody being here this morning.

General Offeringa, I have got some questions for you. In President Reagan's budget you had 17 percent of military construction. Under the Bush budget you took 35 percent of the MilCon hits. That looks pretty heavy. I have some questions as to who made that decision. Who said that you would take all those hits?

General **Offringa**. Those decisions were made within the budgeting process of the military Army. They were made as a result of a painful trade off process that we had to make in order to meet our required reductions under the Bush amendment.

They were made against the scenario that required an 8,000 space reduction, 4,000 of which came out of our active brigades. Some decisions impacted very heavily on our modernization program. They were made, I think, with a lot of agony, but they were made within the Army, given the constraints we had.

Mrs. **Schroeder**. You were given a total number? The Army was given a total number, and they can allocate it among the different things? It is not that MilCon was given a number and the Army was given certain numbers? It is the Army themselves who went after that?

General **Offringa**. That is correct, madam.

Mrs. **Schroeder**. The next question I have is why in all this crunching does special forces need their own combat diver's training facilities down in the Keys? It looks like the Navy has a very good one. Won't they share?

General **Offringa**. We have looked at sharing the facility in training with the Navy. That was looked at quite extensively. It was determined that there were not sufficient efficiencies to justify doing that.

In essence, it would cost us more to upgrade the facilities at Key West.

Mrs. **Schroeder**. It would cost more than to share than it does to build another one.

General **Offringa**. Yes, madam.

Mrs. **Schroeder**. I would love to see the numbers on that. One of the things we are trying to figure out is how that could possibly be more expensive to share, especially when the other thing that I really quibble with is that you cut single soldier housing by 22 percent in 1990 and by 27 percent in 1991.

When we couple that with Mr. Stone's memo and when we couple that with that is the targeted group you want to get to reenlist, that looks like a higher priority than some of the other things.

General **Offringa**. We looked at those carefully, particularly the unaccompanied housing. I think we cut one in Korea, and there was also one reduced in Europe in 1990. Those were taken to the CINCS and were the things that the CINCS elected to reduce within their areas based on their prioritization of the program.

Mrs. **Schroeder**. In 1990 and 1991 you are also cutting back? You mean those are the only ones you are doing?

General **Offringa**. Those were the ones reduced in 1990. Most barracks were rolled from 1990 into 1991 which forces some things out of the 1991 program at the end. Some of those may have been unaccompanied housing.

Mrs. **Schroeder**. Someone else made that decision?

General **Offringa**. No, that was made within the Army, madam, but it was made with the concurrence of the commanders on the ground who determined that there are other things within their areas that were higher priority.

Mrs. **Schroeder**. You don't think that is going to hurt reenlistment?

General **Offringa**. I think that will have a definite impact on reenlistment. Again, we had to look at the total mission and our requirements to accomplish it. We know there will be impact, but I can't quantify it for you. I would agree unaccompanied housing and the lack thereof impacts on reenlistments.

Mrs. **Schroeder**. It is amazing everybody in the world sees it but the Army. Anytime there is any choice, that is the thing that goes. I find that very frustrating.

My time is up, so I will wait for the next round.

Congressman Martin.

Mr. **Martin**. Madam Chairlady, it is a pleasure to be here. It is even more of a pleasure to find out the scheduling is such that I have my full complement of Republican Members here. I want to defer my time to the gentlemen on my left in the order in which they arrived. I would yield my time to the gentleman from South Carolina for any questions that he might have.

Mr. **Spence**. Thank you. I have one question.

Admiral Montoya, I see where there is a growth in the property maintenance account. Is there any particular reason for that?

Admiral **Montoya**. Is this—all accounts or housing?

Mr. **Spence**. Real property and maintenance. It is not housing.

Admiral **Montoya**. The overall maintenance of real property account? No sir, there is no growth in that account. It has suffered the same kind of budget pressure as other line items have in the amended budget submissions. We recognize the importance of that account.

Quite frankly, it is going to be tight. It is going to be tight particularly with the fact that in the next couple of years we will be supporting some additional bases.

Fortunately, we developed over the last 3 years a very good parametric program to make sure when we spend our money, we spend it on high priority items. We do have a system to spend within the maintenance of real property account properly, but it is less and it is difficult. It is tight, yes, sir.

Mr. **Spence**. You mentioned in your memo about the Army barracks not looking too good compared to the Air Force. How about the Navy? How are they coming out?

Mr. **Stone**. I think the general condition of the Navy barracks is not nearly as good as that of the Air Force. I think that the leadership in both the Army and the Navy are setting standards that are comparable with the Air Force and struggling to find money to meet those standards.

Mr. **Spence**. That's all I have.

Mr. **Martin**. I yield to Mr. Blaz.

Mr. **Blaz**. Thank you very much.

Mr. Stone, I was pleased and fascinated by your memo, quite frankly. However, it has been our view that you don't have to practice to be miserable. Some people are so miserable at peace, they are glad to be at war. I've heard that in my younger days, and I've never accepted that.

I think it was an act of courage for you to say it because it has apparently gotten a lot of attention.

My questions is akin to Mr. Spence's question. I think we ought to press the services as well. I travel a lot to various bases myself. I know the difference. I absolutely know the difference.

I guess there is a difference in the mission. There is a difference in philosophy. I think there is one thing that's distinctive about this particular subcommittee—and I'm not necessarily speaking for it because we have so many leaders here—is that it does concern itself with quality of life. I really believe that the time has come when we need to press on this issue.

My question is this: How is the Navy, how is the Marine Corps—the Marine Corps and the Army are similar in some ways; the Marine Corps and the Air Force are similar in some ways—are we doing essentially the same thing to upgrade? Would you care to comment? I need some reassuring.

Admiral MONTOYA. Yes, sir. I want to reassure you.

First of all, I think the Air Force does have some lovely bases. The Navy has continued to press it in the same way for our troops.

For example, even in a reduced fiscal year 1990 budget, we are doubling the amount of money we spend on barracks in 1990 compared to what we did 1988. Again in 1991, it has been doubled.

The number of actual spaces increased by about 50 percent. The trend is up even in spite of a decreasing profile. Between that and the modern ships, we really do care. I agree with you. We need to care about the quality of life of our unaccompanied sailors.

General DOWNS. One would have to be a blind man to go around the Marine Corps and not observe the progress that has been made in the condition of our bases over the last 8 or 9 years, particularly those facilities that support the bachelor Marines.

We have long had an objective of reducing and eliminating our BEQ deficiency by the mid-1990's. I don't believe we will be far off our projection.

I see my time is up.

Mrs. SCHROEDER. I would like to yield to the gentleman from New York for a motion.

Mr. MARTIN. I move that the Chairwoman be authorized to close the hearing for today and for the remainder of May for receipt of classified information.

Mrs. SCHROEDER. I think we have to have a roll call on that. The clerk will call the roll.

Ms. MOORE. Mrs. Schroeder.

Mrs. SCHROEDER. Aye.

Ms. MOORE. Mr. Martin.

Mr. MARTIN. Aye.

Ms. MOORE. Mr. Dickinson.

Mr. DICKINSON. Aye.

Ms. MOORE. Mr. Skelton.

[No response.]

Ms. MOORE. Mr. Blaz.

Mr. BLAZ. Aye.

Ms. **Moore**. Mr. McCurdy.

Mr. **McCurdy**. Aye.

Ms. **Moore**. Mr. Foglietta.

Mr. **Foglietta**. Aye.

Ms. **Moore**. Mr. Ravenel.

Mr. **Ravenel**. Aye.

Ms. **Moore**. Mr. Ortiz.

Mr. **Ortiz**. Aye.

Ms. **Moore**. Mr. Courter.

[No response.]

Ms. **Moore**. Mr. Robinson.

[No response.]

Ms. **Moore**. Mr. Hansen.

Mr. **Hansen**. Aye.

Ms. **Moore**. Mr. Bilbray.

[No response.]

Ms. **Moore**. Mr. Mavroules.

[No response.]

Ms. **Moore**. Mr. Montgomery.

Mr. **Montgomery**. Aye.

Mrs. **Schroeder**. If we proceed on that order, the next one on your team is Mr. Ravenel.

Mr. **Ravenel**. I don't have any questions at this time.

I don't have any questions.

Mr. **Dickinson**. Several years ago, I visited a couple of bases in Korea. At that time, the soldiers were allowed in the barracks to hire Korean nationals to keep the place clean and do all the chores so they didn't have to do anything. As a consequence, the place is filthy.

Do we still have that policy? Can they still hire local nationals?

General **Offringa**. Last year I was in a number of barracks. While we still would like to improve the standards and are working toward that, the cleanliness standards were quite high.

Mr. **Dickinson**. That didn't cost much. Let me make an observation to all of you. I think that as a group to come before the congressional hearing, you are pretty lucky. You are before a committee trying to help you. We are trying to help you to do more than you are told that you can do; whereas on other subcommittees, we are trying to find ways to cut, push back and to criticize, they are asking for too much.

It has been my experience that this committee is always encouraging to do more and trying to find ways to help you do more because, as Mr. Blaz said, we are dedicated to improve the quality of life of our servicemen.

We feel very—we are very sensitive to the subject, and we want to compliment Mr. Stone and all of you for the good work that you're doing. We need to know when you have a problem.

Getting back to the question I asked earlier, Mr. Stone, by raising the threshold 50 percent, that will do what in percentages for allowing you to go forward? You say maybe some projects have been pushed back 2 years because of just the regulation and the red tape. Is that right?

Mr. **Stone**. Two years or more, Mr. Dickinson. If we raised that threshold to $1.5 million, it will allow us to proceed with about 35 percent of all the projects we have without losing this 2 years or often more.

Right now, under the million dollar threshold, that covers something like 20 percent of our projects.

Mr. **Dickinson**. I think the committee would certainly support that. I have seen what bases are able to do just out of that O&M contract when they don't have to go through the whole rigmarole, just O&M. They save money, they get it earlier. It really adds a lot to the quality of life.

Mr. **Stone**. When we do without buildings we need, Mr. Dickinson, we are often doing without the efficiencies that could be made. We are continuing to get less than we ought to out of the human talent that we employ.

Mr. **Dickinson**. You're not saving any money. That is the point.

Mr. **Stone**. We are losing money.

Mr. **Dickinson**. I got in a little late and didn't hear all you said about the child care centers. Restate that briefly.

You see, this committee for at least 5 years, maybe more, has been pushing the services to go to an entrepreneur type of child care if we didn't have the money in the military construction budget. We mandated the three services to go forward with a pilot project 3 or 4 years ago.

Only one of the services did it when we told them to do it. Now that I think we have had a change of philosophy, tell me again what we are doing.

Mr. **Stone**. What we are doing here is we have contracted with Children's World, which was selected competitively, who is building that building on the Pentagon grounds. It is a beautiful building. It has been cleared by the National Capital Planning Commission to make sure it fits in.

Mr. **Dickinson**. Is this a pilot project?

Mr. **Stone**. It is our first, so it is a pilot. It is the pilot project. Children's World will build this center. They are scheduled to put it in operation this Fall. They will operate it.

People who work at the Pentagon will be able to use it. There is no Government money involved in constructing it, although there will be a modest Government subsidy to the operation.

We have a similar project under contract at Tracy Depot in California. Admiral Montoya told me this morning the Navy wants to develop a Navy pilot project in the Norfolk area.

The problem we have, and the reason I brought this beautiful picture in today, is the authority to do this under law expires on September 30. We need that authority extended.

Mr. **Dickinson**. The subsidization coming out of what?

Mr. **Stone**. O&M.

Mr. **Dickinson**. Appropriated funds?

Mr. **Stone**. Yes.

Mr. **Dickinson**. My time is up.

Mrs. **Schroeder**. Congressman Hansen.

Mr. **Hansen**. Thank you.

Mr. Stone, may I ask a question? What are your next steps going to be on base closings?

Mr. **Stone**. There are several next steps in dealing with the affected bases in base closings. What we are doing now is pleading and cajoling and hoping Congress will authorize and appropriate the money we need to carry out those closures. We are working with local communities to help them adjust to the change.

What we need to do is get on with the design and construction of replacement facilities because in every—all the major bases that are scheduled to be closed have activities, a fighter wing or a training center or a recruiting command that—these are important activities that we have to move.

The only way we can move them is to build buildings for them at their new locations. So our next step is to try to get the money from the Congress that the administration has asked for.

Mr. HANSEN. What about some other things that may trigger in about GSA or the McKinney Homeless Act? I guess you're looking into all those possibilities that may occur or could occur at various potential sites?

Mr. STONE. Yes, sir. The administrator of General Services has delegated to the Secretary of Defense the authority to dispose of the property in accordance with current laws and regulations.

The McKinney Act is one of the laws that we have to follow, and that requires consideration of homeless shelters at not only these bases but all unneeded defense property.

Mr. HANSEN. I would imagine it is quite an awesome task to figure out where to move all those missions at this particular time. Are you going to terminate some of those missions? It seems it is hardly a savings unless some of them are terminated.

Mr. STONE. There is a savings in reducing the base operations cost. The commission, with the advice of military departments, chose locations for the bases that are going to be closed. There may have been some reductions in the missions as a result of this latest budget assessment.

But the Army is still going to have to do its recruiting and the Air Force is still going to have to provide technical training to airmen. The main missions of those bases are just going to have to proceed.

Mr. HANSEN. Thank you.

Mrs. SCHROEDER. Congressman Hutto.

Mr. HUTTO. Thank you, Madam Chairwoman.

I'd like to, if you would, discuss biennial budgeting. I supported biennial budgeting for quite a while. I think it would be in the best interest of not only the Defense Department but all of Government.

If you will, tell me—I know that the Defense Department has been through legislation by the Armed Services Committee a few years ago. The last Congress and this Congress submitted a 2-year budget. The fact is, we are still on annual appropriations.

If we could, it seems to me that it would just bring more stability, more efficiency. I really think we could save.

Would you talk about how it would effect you?

General Ahearn, maybe you could start, and any of you who would like to comment on it.

General AHEARN. Thank you, Mr. Hutto.

The biennial budget, I believe, would offer stability and efficiencies, wherein we could set more firmly what specific line items, projects and investments we wanted to execute and to line up the delivery team, designers. They could then start and go to completion rather than start and stop at phase points because of our unsureness about whether the projects will make it the following years.

I think there are real efficiencies in the delivery process, Mr. Hutto, that would be realized. There would be clearer focus on planning and investment strategies that play out base by base and post by post where we could clearly make more firm plans and deeper commitments to our people and to our missions.

Mr. HUTTO. Any other thoughts?

Admiral MONTOYA. As a very practical matter, in many places, biennial budgeting would provide more opportunities for packaging our construction projects so that you do use equipment and people more effectively in an area.

In construction, very often bigger is better because the contractor is able to procure larger lots, materials, make better use of bulldozers or cranes or what have you. Especially in the Navy where we are concentrated in a few areas, it would make it significant to have that initial flexibility and opportunity. It would save money.

Mr. HUTTO. Mr. Stone.

Mr. STONE. There are two things that are very obvious from where I sit, Mr. Hutto.

One is that my colleagues here and the top leadership of the Defense Department, as well as Congress, spend about half their time operating on the budget. I think this is—I don't want to compare myself to the Secretary of Defense, but I think this is my fourteenth hearing this year. I think my colleagues here had as many or more. It occupies much of the leadership talent of the department.

The other thing that I see, and it drives me nuts, is we work hard to pick top quality architects and engineers to design buildings and because of the 1 year at a time budget process, we tell them to design, to complete 35 percent of the design, and then we stop and see whether that building will make it through the Pentagon review and the congressional review.

Then a year or a year and a half later, if it has made it through the review, we tell the architect to go ahead and complete the design. The people that worked on it are not there any longer or they are working on something else, and we wind up getting less than we ought to just because of this start and stop process.

Mr. DICKINSON. Would you yield?

Would you propose then that any time you go to design at all, that you go 100 percent to design? Even though we have our own imposed level of 35 percent before we are funded, we don't prohibit you from going 100 percent design, do we?

Mr. STONE. Not directly, although the General Accounting Office and the various defense auditing organizations have criticized us for designing buildings that are never built because the money wasn't authorized or appropriated.

Mr. DICKINSON. How can we address that?

General AHEARN. The 35 percent design rule is out of phase with the times. There are better cost estimating techniques today available to us where we won't have to start our design until you authorized the project.

We can still with these cost estimating techniques give you a very high level of confidence that we can deliver a quality project on time with the money you authorized.

What I am suggesting is that we have developed over the past few years cost estimating techniques in the industry that give us far, far more potential to be better stewards of the design money you authorize for us year after year.

Mr. DICKINSON. Just one follow on to that.

I think I speak for the committee, we would be very happy to have a better system. If you say the 35 percent, an arbitrary 35 percent design complete that we have put on ourselves is not practical in today's climate, then fine, we would like to know what is.

But the reason it is important and necessary is that we have some goals, so much ratio or so many minimum and maximum standards, is so we can beat off everybody else that comes in here saying how about getting this project going and how about approving this?

As a consequence, years back, we said hey, we are not going to approve anything that is not at least 35 percent design complete. We are not going to fund it. We are under a great deal of pressure on this committee from our colleagues. Everybody has got this red hot project that they want us to approve, and it is tough to deal with your colleagues and say we cannot do it.

We require that you have got to have 35 percent design complete so we have that much assurance of cost and everything that goes with it.

If you have got a better way of doing it, we would like to know.

General AHEARN. I think we do. I believe we could come forward with a joint service proposal that would help us.

Sir, you authorize planning and design money. I would commend to you that a good plan in conjunction with a good cost estimate is a very good tool for Members of the Congress to use to ward off those who have hot projects in their pocket, meaning that the business of 35 percent design was the fulfillment of a good plan and a good cost estimate.

Today, technology and our modeling techniques for cost estimating give us another alternative that would not be any less powerful for the Members, but would give us far greater potential for the efficient use of the money that you give us for planning and design.

Mr. DICKINSON. You are telling me something I have not heard before, and I don't think that our committee has, but we should explore this.

I appreciate your yielding. I didn't mean to monopolize your time.

Mr. HUTTO. One more question.

Mrs. Schroeder was talking about the diving facility down in the Keys. Of course, I realize that looks sort of funny with the Army requesting that.

But it is my understanding, of course we have discussed this, I believe in our special forces panel hearings last year, and I imagine the importance of our special forces needing this and because of the maximum use of the Navy's facilities, that is the reason that you need this; is that correct?

General **Offringa**. Those were the impacts that caused us to continue working in the Keys. That is where they are now. I think they are using the water tank for diving at the current time.

My understanding is that that environment provides them the optimum training capability for the kind of work that they have to do because of the location in that area.

Mr. **Hutto**. Thank you.

Mrs. **Schroeder**. Should that plan be submitted for the record of how we could do the whole parametric modeling area?

Mr. **Dickinson**. Still protect us.

Mrs. **Schroeder**. That is right. We would like a briefing as soon as possible.

Mrs. **Schroeder**. Congressman Ortiz.

Mr. **Ortiz**. I have a question for Admiral Montoya.

Admiral, you indicate in your testimony that the majority of the military construction cost for fiscal year 1990 would come from the deletion of projects at the Naval Air Station, Lake Charles and in Galveston, TX. Since the people initially assigned to this base would be transferred, what type of responding levels do we anticipate that might occur at the Naval Air Station sites?

Admiral **Montoya**. Associated with expanding the maintenance facility there and providing waterfront space along the pier and the wharf, we are looking at something in the order of $30 million. Those are preliminary estimates.

Clearly we need some planning and design money to get a firmer figure on that, but that figure is in the ball park that we are estimating, Mr. Ortiz.

Mr. **Ortiz**. I have another question for you. What is the current status of the Navy's position on the commanding officer for the Naval Air Station in Kingsville?

Admiral **Montoya**. Our position is it would be nice to have a quarters for him, but in these times, the priority for quarters goes to our enlisted people. So, we have very rarely asked for officer housing in the past few years. This one falls in that category.

It would be unfair to make do for the skipper with what he has living off base as opposed to taking money out of the enlisted accounts. As much as we would like to have it, we nonetheless defer to the enlisted requirements.

Mr. **Ortiz**. Admiral, I will continue to pray for you.

I have one more question. General Offringa, I understand that there is a possibility of maybe, on the planning of building an extension runway in Panama to the tune of seven point something million dollars? Am I correct on that?

General **Offringa**. That is correct. There is an expansion of the parking area that is required because we have replaced the old UH-1 helicopters with the larger helicopters, the four bladed ones. For safety reasons, we are looking at expanding that runway so that we do not end up destroying one of those aircrafts and hurting the crew.

Mr. **Ortiz**. The reason I'm asking this question is because there has been some publicity, and I was sad because south Texas was left out as one of the sites that the Southern Command is looking at to move.

What can we anticipate as far as moving out of Panama?

General OFFRINGA. We are developing now a plan for the movement of the forces from Panama. As you know, we have to be out of there by 1999. Seven sites have been selected to be evaluated for the unified command's headquarters as a result of the screening and environmental impact process.

The operational requirements for the forces coming out of there are still under study in terms of exactly what their mission will be. But we have a framework plan that will move all the forces out of Panama and close down the Canal area by 1999.

Mr. ORTIZ. You still think it is a necessity to go ahead and build this runway?

General OFFRINGA. Yes, sir.

Mr. ORTIZ. Even though anticipating what we are?

General OFFRINGA. That area would be the last area from which we would move. The helicopters would be there until the very end because that would be the sole means we would have for supporting not only missions in Panama, but missions throughout Central America.

So, therefore, we would get at least 8 to 10 years use out of that facility. If we can avoid destroying one or two of those helicopters or injuring any of the crew, that would more than pay for itself.

Mr. ORTIZ. This will be my last question, Madam Chairwoman. Looking at the possibility of moving, are you looking at the military bases that have buildings? Are you looking at land? What is the criteria?

General OFFRINGA. Sir, there was a detailed set of criteria against which all of the sites were evaluated. One of those had to do with the adequacy of existing facilities. There were a number of other criteria. Based on that overall criteria, I think we took about 30 sites and narrowed them down to seven.

Mr. ORTIZ. Thank you very much.

Thank you, Madam Chairwoman.

Mrs. SCHROEDER. Thank you very much.

Mr. Stone, I notice there are a lot of reductions in there attributed to favorable currency variations. What do you know about predicting the value of the dollar that I don't know? It looks to me like predicting the dollar's value is about as good a job as predicting whether it is going to snow in Washington.

Mr. STONE. I guess the best way I know to predict whether it is going to snow in Washington is whether it is snowing today. That is basically how we try to predict the dollar valuation.

Mrs. SCHROEDER. Don't you think there is a lot of change from the Reagan to the Bush budget that we have a lot of trouble accepting? It is kind of like the fudge the budget that we are seeing today on the House floor.

Mr. STONE. I think where we are headed is toward more realism. I have the numbers right here.

Mrs. SCHROEDER. I guess what I'm really trying to find out, do you think this is based on some scientific modeling beyond what we need to make the numbers fit?

Mr. STONE. Let me give you one example. Our budget in January was based on 1.75 German marks to the dollar. Our revised budget is based on 1.89 marks to the dollar. It is more favorable. Today's rate—I didn't look at it. I looked at this week's Business Week and noticed that the rate was around 1.89. I think we are using the most current rate.

When that is to our benefit, we do that. If it is not to our benefit, we don't always. I think the rates we have in the budget are more likely to be realistic than the rates we had 3 months ago.

Mrs. **Schroeder**. I would like to ask a bit more about the child care centers that Mr. Dickinson was talking about. Originally, we only built them with MWR funds. Then somebody said we ought to start using MilCon funds. The only problem is when we started using MilCon funds, no more MWR funds went to child care.

As I visit bases, young women who are taking children into their homes say they are on the verge of quitting it because people knock on their door day and night saying will you take another child, will you take another child? This is such a crisis on every base that I visited that how we get MWR funds once again being used and also MilCon funds and also the flexibility that you're talking about with what you needed for Child World, it looks like to me we need all of the above.

Mr. **Stone**. We do need all of the above, Madam Chairwoman. I think where the funds come from really depends on ones view of what an employer's responsibility is. We think that our responsibility as an employer is to assist in provision of child care services.

I was at Fort Stewart, GA on Monday, and General Taylor took me through four child care centers on his two posts. He showed me the numbers. At Fort Stewart, they are spending $440,000. They spent last year $440,000 of MWR funds.

That is proceeds from what soldiers spend to buy hamburgers and make telephone calls. It was about 40 percent of his total MWR money available providing, supporting the child care center which supported about 6 percent of the soldiers. So 40 percent of his morale money is providing child care centers for 6 percent of the soldiers.

Mrs. **Schroeder**. Let me ask General Ahearn, the Washington Post Outlook Section a couple of weeks ago had an article saying we could close more bases by moving airplanes from the Air Force to the reserve without any loss of readiness. Did you see that proposal? How would you react to that?

General **Ahearn**. I don't recall having seen that particular one in the Outlook Section. I have seen those proposals recently and in the past.

There are bases in the United States, and I think in some overseas areas, that we need to look at and look at very hard to realize more efficiencies and to better care for the bases and the equipment space systems and aviation systems we have.

We believe we have just begun to look hard at the basing network we use to gird the globe to project air power around the world. We think there are more efficiencies. But I am not the authority. I am a builder, and I do participate very much with the basing people who make these decisions. I think there is potential.

Mrs. **Schroeder**. Congressman Martin.

Mr. **Martin**. There are some drawbacks of going last. I want to retread, if I can, and expand on a couple of things that have already been brought up to make sure that everybody, certainly me and everybody else on this committee understands the situation of child care.

We are attempting to get to a point that all of our child care centers are to be built with appropriated funds out of military construction and beyond that subsidized by appropriated funds, and that hopefully whatever reasonable minimal fee that is paid for by the service would be applied to make up the balance, go at a ratio of 70,30; is that not what we are looking for?

General **Offringa**. Yes.

Ms. **Mahboubi**. This is what is allowed—percent appropriated 70 and 30 percent nonappropriated. In reality, we are not spending that much. Actually, none of the services are spending the 70, 30 percent split.

Mr. **Martin**. Is it 80, 20 or 60, 40?

Ms. **Mahboubi**. We are spending less, but more like 40, 50; 50, 50; 60, 40. Definitely not 70, 30, appropriated fund versus nonappropriated.

Mr. **Martin**. How do we get to the 70, 30? Is it a matter of plusing up an account?

Mr. **Stone**. There are two things weighing on us. I think the heaviest thing weighing on us is the cap in the appropriations act on support of all of our MWR activities. At every installation if a commander wants to put another dollar to support the child care center, he has to take a dollar away from the Gymnasium or the library or the NCO club or some other morale activity.

Mr. **Martin**. You spoke about Fort Stewart and $440,000. Was that the figure that the General said he was using to subsidize child care?

Mr. **Stone**. That was the nonappropriated subsidy for child care.

Mr. **Martin**. Did that take into account the fees that were taken in at the—for child care centers that people pay in an hourly or daily rate to have their child taken care of?

Mr. **Stone**. As I recall, the fees were something like $400,000, and the appropriated fund support was in the neighborhood of $200,000. I can give you those numbers for sure. I'm talking from memory.

[The following information was received for the record:]

Fort Stewart Child Development Center Source of Funding, Fiscal Year 1988

Appropriated funds	$500,000
User funds	600,000
Non-appr. fund subsiding	450,000
USDA Food and United Way	140,000

Mr. **Martin**. I want to make sure the Members realize that not all of the money for the support of child care center was in competition with baseball fields, bowling alleys, or that type of thing. There is a source of revenue that doesn't pay the whole freight, I understand. But as they come into a child care center, they are applied against the difference between the 50, 50 or the 60, 40 or the 70, 30; is that correct?

Mr. **Stone**. That is correct.

Mr. **Martin**. Because it is an unfair question, I'll concede, but when I was at Fort Sill recently, I noted they had a particular problem with child care, and it related more to things beyond their control like the historic significance of the building that the child care center was in.

I think with a little more flexibility, you ought to have the alternative of deciding where you are going to put that kind of appropriated money. Hopefully, we will get that appropriated up to 70 percent. Is that problem at Fort Sill, is that being rectified?

General OFFRINGA. I don't know what they are doing now in the short term, sir, but I do know that in the 1990 program, we are going to fix it by getting them to do child care facilities.

Mr. MARTIN. Just one point. I realize, General, that you were given your orders as far as what the requirements are, and you do it very well and get caught up in the middle of some of these things like the Panama discussion that just went on.

It is a pleasure in a sense to open the request and see that only $14 million is requested between the Army and the Air force for upgrading the various facilities in Panama.

Of course, we have another thing on the back burner. There was a request on an emergency for the Navy, about $7 billion that wasn't granted on an emergency basis that was still needed, it ought to come back through the regular process and get it through this document.

If we were to build what was requested for Panama over the course of the last 3 or 4 years, we would have something in the area of $75 million worth of bricks and mortar down there with which the Panamanians ultimately can up their bargaining position and increase their request for funds if we do extend beyond 1999.

General, the fact of the matter is there are more folks there and more missions there than there were when we signed and gave away the Panama Channel and so many houses, bases, air fields and everything you can imagine.

I don't know, and I say this as—as someone who has the greatest respect for all of your work, that you might take your word back and say, guess what, those folks up there again said that we are going to be putting up another $14 or $21 million in a place were we are not supposed to be on December 1, 1999. That is in trouble. I want you to know that.

We are going to amend the 802, brother Stone said. We have not used that in the last 5 years it has been authorized. We have not been able to close 802 housing. What are the amendments you are offering that makes this perhaps doable housing units?

Mr. STONE. We have not used it because we have not been able to get a process that attracted both developers and financiers.

In our current legislation, it is mandatory we terminate the contract if maintenance is unsatisfactory. There are better ways to protect the Government because this is scaring off investors. What we would like to do is terminate the operator's right to operate the facility but allowing us to take it over ourselves.

Under the current law, if we terminate, then we lose everything because the facilities become, the developer goes in default. We lose the facility and the unsatisfactory maintenance.

Mr. MARTIN. Do you have reason to believe with that amendment that perhaps there will be such a thing as an 802 contract somewhere in a very short period of time?

Mr. STONE. Yes, I do, Mr. Martin. I should remind you that we have said similar things in the past. We have not been able, we have not been able to make it work. We think this will let us make it work.

Mrs. SCHROEDER. With that, let us take a temporary recess. When we come back, Congressman Martin. But Mr. Dannemeyer has a little budget he would like us to vote on.

[Recess.]

Mrs. SCHROEDER. If we could begin to reconvene the hearing. We appreciate everybody's forbearance.

Congressman Martin,

Mr. MARTIN. General Downs, if the V-22 Osprey program is killed—I am not sure it is going to be, but let's assume it is—what projects in your military construction budget can be deleted, if any?

General DOWNS. We have two MV-22 related projects in the fiscal year 1990 budget. One is for a trainer and the other is an instruction building. The trainer is to house three operational flight trainers and an air crew trainer, currently under production. We are talking about a building costing $7.4 million to house about $78 million worth of equipment. Whether we need that building if the MV-22 isn't purchased would be dependent upon the exact mix of aircraft that would be used as a substitute for the MV-22 and what their operational flight trainer requirements will be.

Mr. MARTIN. Is it safe to say at the present time until you find out for sure there is going to be a V-22 or not, it was canceled at that point, you would have to determine what the alternative was going to be as far as your doctrine is concerned?

General DOWNS. Yes, sir. We are really concerned because this particular project for the flight trainer is on a very narrow time line to be ready in time to receive this multi-million dollar trainer that is being purchased, which is also very expensive to store.

Mr. MARTIN. The trainer has been purchased?

General DOWNS. The trainer is being purchased with procurement funds. It is under production at this time.

Mr. MARTIN. If the V-22 is canceled—well, you do everything for the Marine Corps up here anyway. If it was canceled, do you have any idea how much money we have sunk into the trainer?

General DOWNS. I really can't answer that, Congressman Martin. In fact, this particular trainer is, as is the case for most of our aviation-related items, Naval Air Systems Command purchase.

Mr. MARTIN. I am glad you told me that. That might be an interesting part to me as well if you talked about the V-22.

Mr. Stone, as far as the proposed move of our 27 aircraft in Spain to Italy, 28 percent of those infrastructure dollars are ours in NATO. The sums of money in the magnitude of $60 million proposed for MRW type facilities without appropriated funds and the other thing we deem to be necessary, none of that was deleted with this most recent submission; am I correct?

Mr. STONE. That is correct.

General AHEARN. That is correct.

Mr. MARTIN. I certainly do not have a parochial interest being 2,000 miles away from south Texas, but the question concerning possible relocations of SOUTHCOM—and I underscore I am not asking for a report, I am not asking for a study, but I am wondering if you could either by telephone or note give me whatever information you can to let me know why Corpus Christi was not on the list. I have been down there, and I am most appreciative of the people and their support of the military.

I know they have the aviation facility that has been so prominently used for many, many years. I would like to know what brought them off the scope and if there is any possibility of fixing that situation?

General OFFRINGA. I will be glad to provide you that, sir.

[The following information was received for the record:]

CORPUS CHRISTI

The first order screening for headquarters, USSOUTHCOM was based on time/distance factors from Washington, DC and efficient access to the capital cities in the USSOUTHCOM Area of Responsibility (AOR). A maximum total travel time of 4 hours from Washington, DC, was an initial limiting criteria. This criteria resulted in Corpus Christi being non-select for further consideration during the second order, two phased, screening process. While many locations have favorable characteristics, very definitive and specific criteria were maintained during the screening process to retain an objective perspective during the site selection process. The results of the screening process cannot be changed without revising the criteria hence negating the entire effort which is now in its final stage.

Mrs. SCHROEDER. Thank you.

Congressman Montgomery, do you have any questions?

Mr. MONTGOMERY. I didn't think I did, but I do now. I apologize for not getting here earlier. I had an amendment on the budget resolution. We voted for it.

On the Nellis Air Force hospital, DOD hospital sharing agreement with the VA hospital; that we thought we had an agreement that it was on line for construction in fiscal year 1990, and then the Secretary of Defense, Mr. Cheney, in effect was scrubbed.

Then when Mr. Cheney appeared before our full committee, I asked him about this situation, and he told me that he backed off on it. Then I find out later that it had been dropped from 1990 to 1991, that that was what had taken place. In the VA we have gotten our money up front, we made an agreement.

The DOD and VA sharing agreement on medical facilities and patients is working very, very well. Then I called Mr. Cheney on the phone when I heard about that. He said he would be back in touch with me on whether it had been slipped to 1991 or not. I have not heard from him.

I would hope we could move along with the project. We had an agreement. We certainly need the facilities out there. It is useless for the VA to build a big hospital and you all build a big hospital. We will end up with something like that happening unless we can get moving on this.

General AHEARN. Well, Mr. Montgomery, I must defer to Mr. Stone and ask for some help here. I have not participated in the defense facilities office.

Mr. STONE. We have some help here from the Defense Medical Facilities Organization, Lieutenant Colonel Vandehey.

Colonel VANDEHEY. Lieutenant Colonel Vandehey from the Defense Medical Facilities Office.

During the budget deliberations that went on within the department that had been mentioned previously, one of the reductions that the secretary made was to take the DOD portion of the VA, DOD sharing project, out of the fiscal year 1990 budget. It was subsequently then put into the fiscal year 1991 budget.

Since that happened, we have been in touch with the VA. We are attempting to work that right now.

But the department's position is that the project is in fiscal year 1991.

Mr. MONTGOMERY. Is it possible to obligate some funds for the site work to get it started in fiscal year 1990?

Colonel VANDEHEY. I would have to give that to you for the record. We would have to get in touch with our design/construction agent and see what the phasing of that project would have to be, how much money is needed, and whether it would be executable. We would have to do that, sir.

Mr. MONTGOMERY. If you would do that, I feel like we had an agreement, and I have not heard back from the Secretary of Defense. If we could get the permission of the secretary, we could delay some other project and move this one forward, and probably it would be adopted by Congress.

I would appreciate it if you would look into this. I am not saying I would go along with this, but we will take a look at it. Do you follow me on that?

Colonel VANDEHEY. Yes, sir. I can go back. As I said, our current position is that the DOD portion is in fiscal year 1991; there still is a commitment to this DOD sharing effort; and we will have to look at the execution possibilities and coordinate that with the VA.

[The following information was received for the record:]

We have re-examined our medical construction program for fiscal year 1990 and have concluded that all projects must remain in the program at their current level. It would not be prudent to accelerate the Nellis project, or a portion of it, at the expense of some other high priority project. In reality, since the actual execution of the Nellis project could not begin until late in fiscal year 1990 (August-September), funding in fiscal year 1991 will not delay the project appreciably.

Mr. MONTGOMERY. OK. Thank you, Madam Chairwoman.

Mrs. SCHROEDER. Thank you.

Congressman Martin.

Mr. MARTIN. In the original budget submission, and we have followed this, those who have been in Korea at their various facilities there, the quarters for the unaccompanied personnel, and I am rather pleased to see that that is addressed as it has been and we have made some significant progress over the last few years.

Then we note in the new submission that it was either deferred or killed as far as barracks in unaccompanied quarters or for unaccompanied housing in Casey, India, Kyle, Red Cloud, which concerns me a great deal. I am wondering whether on the priorities that would be if indeed something were, some of the military construction budget, notwithstanding the Army's request were canceled, in the budget process or if additional revenue was found from other parts of the budget.

Would it be your feeling that those would be among the first things to be replaced in the budget or substituted if something contrary to the wishes of the Department of the Army would fall out?

General **Offringa**. Those would occupy a very high priority in the things we would hold dear to us, sir. If for some reasons funds became available, we would be highly supportive of having those added.

Mr. **Martin**. Thank you.

Mrs. **Schroeder**. Thank you.

Mr. Stone, I notice that you didn't make any change in the request for the $500 million for base closing. Do you have any specifics of how the money is going to be used?

Mr. **Stone**. We are working on that right now, Madam Chairwoman. We have a list of necessary projects that is well above $500 million. It is in the $800 million range. Over the next few weeks we are going to be trying to sort that out. I think I told the staff that we expect to have a list of projects by June.

Mrs. **Schroeder**. There have been a lot of people talking about using some of the closed bases for prisons. Have you been in on any of those discussions, or do we need further legislation? Is anybody talking about that?

Mr. **Stone**. There are a lot of people talking about it. A law was passed last fall setting up an Alternative Use Commission involving the Defense Department and Justice and Health and Human Services, and HUD, and I think one or two other agencies to look at the possibility of using excess defense plants for minimum security prisons for drug offenders and various other purposes.

It is very much alive.

Mrs. **Schroeder**. What about the McKinney Act. I mean does that also apply to closed bases?

Mr. **Stone**. Yes.

Mrs. **Schroeder**. How will they weigh all those different things?

Mr. **Stone**. It is complicated, and I don't think we will know exactly until we do it. It is clear we would have to follow the McKinney Act and we will have to report these excess properties to HUD. I think the way it is going to play out is at every closed base we are going to have to have a comprehensive plan that is negotiated that meets the interest of all the parties concerned, including representatives of the homeless, including the prison people and so forth.

Mrs. **Schroeder**. People probably would be getting pressure on that, on this committee very shortly. I don't understand how it is going to play out either.

General Offringa, it appears that the CFE (Conventional Forces in Europe) talks in Vienna, things seem to be moving along toward some kind of force reduction in Europe. Are you counting or anticipating any of that in your forward looking plans so we don't over build?

General **Offringa**. The Army has looked at various alternative plans in the event that reductions are forthcoming. Some of the reductions in this program, as a matter of fact, were based upon those considerations.

We are also considering that as we look at the various changes that we make within our basing of the United States so that we are prepared to accommodate anything that might come out of Europe as a result of those talks.

Mrs. SCHROEDER. Maybe you could tell us a little bit about the transfer of the 8th Army headquarters in Seoul. You gave up the golf course?

General OFFRINGA. We have not yet given up the golf course. That is all under discussion at this present time.

Our position on that is that we are in favor of moving the headquarters under three conditions. One is that there be no degradation in our ability to accomplish the mission in Korea. Two, is that the facilities that are provided by the Koreans in return for that move are of equal or better quality than the ones we currently occupy. Number three is that there be no cost to the U.S. Government for that move.

Those discussions are on going. Since the Koreans are very interested in the golf course, we would try to retain that as leverage in order to gain our three considerations.

Mrs. SCHROEDER. Mr. Stone, I am very curious as to what the new incinerator for the Pentagon is?

Mr. STONE. Let me ask—Mr. Walt Freeman, Washington Headquarter Services.

Mr. FREEMAN. We had in the procurement budget $6.5 million for the incinerator at the Pentagon. We burn all the classified waste for the Pentagon, White House and all the DOD components in the NASP count region. After further review it came up that we had major building modifications, electrical and also safety features, environmental to meet OSHA standards.

It was determined we needed $3.5 million for MilCon. The $6.5 million is still the total, but what we need is the $3.5 million for the MilCon and $3 million in procurement instead of the $6.5 million in procurement.

Mrs. SCHROEDER. This was done between the Reagan and Bush budget because you just discovered new things?

Mr. FREEMAN. Well, we just recently discovered it ourselves here just about a month ago. That is when we came through our comptroller, Bob Stone's shop and said we need the money in the MilCon budget and not in the procurement budget.

Mrs. SCHROEDER. I see. It was in procurement before?

Mr. FREEMAN. Yes. We had $6.5 million in procurement. We broke that out and made it $3.5 million in the MilCon and $3 million in procurement. It is still $6.5 million total.

Mrs. SCHROEDER. OK.

Mr. Stone, we always continue to read more and more about how we keep leasing more space in the capital area, especially for the Navy. Is it really necessary? I guess you keep looking at that? As you know, it makes good ink. We really need to know why we need to pay so much money and keep expanding so much.

Mr. STONE. One reason is we have not been able to get approval to acquire Government buildings in the national capital area. As you know, we tried I guess the year before last to proceed with building a Pentagon annex that would allow us to move a lot of people out of some expensive space here.

That was turned down on the Hill. Let me ask Admiral Montoya to expand on this.

Admiral MONTOYA. We have supported this committee particularly over the past few years and have done some significant rehabilitation of buildings in the Navy Yard. We look forward to doing additional rehabilitation work in the Navy Yard to put more people there.

We have the Military Sealift Command over in the Navy Yard, for example. So that is one program that is growing.

The other, in an attempt to keep our Crystal City landlord competitive, we wanted to solicit a leasing package in this part of the country, northern Virginia primarily because that is where most of our people live. We wanted to put together a package that would afford competitors an opportunity to build something that they could lease to us on a competition basis other than Crystal City.

The other alternative, which is to leave town or to relocate somewhere in town with military construction, would be a significant initial expenditure for Government-owned buildings. If we were to leave town, it would be very disruptive to our work force.

We have a number of systems commands in support of the Office of Chief of Naval Operations, that would be, I think, very difficult and very disruptive to relocate. There is not a simple answer to that question, but we have made some attempts along with the development of the Navy Yard to try to increase the competition to the Crystal City landlord.

But, we have not been successful for a number of reasons.

Mrs. SCHROEDER. But your basic reason for not moving out of Washington you say is that your work force is rooted here?

Admiral MONTOYA. Over the many years, this work force is very closely supportive of the OPNAV staff. Second, we have a work force that has grown up over many years that is here in Washington, people with lots of expertise, for example: Naval Air Systems, Naval Supply Systems and my organization. We work very closely together as we develop, whether it is weapons systems or modifications to systems.

It would be very expensive to relocate somewhere where we have to build a new complex.

Mrs. SCHROEDER. I love it. Your are rooted and bonded; correct?

Admiral MONTOYA. Correct.

General OFFRINGA. If I might add something from the Army perspective. The base closure commissioner has given us the option to alleviate some of the lease costs within the national capital region. From the Army's perspective, we spend $46 million a year on leasing for various buildings within the national capital region. Within the base closure report there are two potentials, one at Fort Belvoir, particularly the Engineer Proving Ground, the 820 acre site adjacent to Interstate 95 that we are looking at as a potential third party development type of operation.

Also at Fort Meade we have some land that the Base Closure Commission recommended very strongly we look at for administrative space. I think this presents great opportunities to gain efficiencies, particularly in light of the rapidly escalating lease costs within the downtown Washington area.

Mr. MONTGOMERY. Madam Chairwoman.

Mrs. SCHROEDER. Yes.

Mr. MONTGOMERY. Some of the criticism gotten when we were looking at base closures was bases, especially that have training bases, that were only 25 percent occupied. The facilities, plants and everything were right there. I am wondering if we could address that. In some areas they have been moved out of the Washington area. I know Virginia and Maryland, Members won't be particularly happy talking like this, but we have a lot of space around the country on those bases that are there. We got criticism for not totally using some of them. Why don't we move some of these facilities, with the great communication system we have now in this country, it would make sense to move some of these facilities to other places in the United States.

Mrs. SCHROEDER. If the gentleman would yield, you are absolutely right. The frustration is I come from an area where the rent is lowest on the planet except for I think Zambia. We were one notch above the next. In Houston they are almost giving stuff away and so forth. Here you have got such a hot market, then on the other committee I sit on, Post Office and Civil Service, we are always hearing we have to redo the pay scale because we have all these Federal employees living in these very high cost areas who can't make it, which is true.

It is very difficult to survive on the GS scale in Washington, DC. But that is one of the things that we wonder. We are paying maximum dollars for space, and then we are getting maximum pressure to try and release this general GS scale so you put a regional thing in it, which would make it even more expensive for the personnel, and on and on and on and on.

Those are good questions.

Admiral MONTOYA. The significant cost is not even in leasing or renting a facility someplace else. If your employees were to move, there are tremendous costs associated with moving people—paying for that move which is a one time cost. But unfortunately, I suspect if we go back to our experience when we moved the Oceanographic Command to Mississippi, once we got by the environmental statements and the lawsuits, many people would not go. That would be tremendously destructive to the business we are about.

Mrs. SCHROEDER. Boy, I would go to Mississippi.

Mr. MONTGOMERY. If the admiral would correct that statement, it is not just Mississippi, it is they don't want to pick up their roots and go any other place.

Admiral MONTOYA. That is correct, Mr. Montgomery.

Mrs. SCHROEDER. Congressman Martin.

Mr. MARTIN. With respect to negotiations in Korea we set down three criteria in those negotiations and say negotiations are going on. Can I rest assured that we are not going to back away from any of those three criteria?

General OFFRINGA. My understanding is that those are fixed criteria from which we will not back away.

Mr. MARTIN. Thank you, very much.

Mrs. SCHROEDER. We wish we could get you to negotiate for Tony.

Anybody else have any questions?

Without further questions then, we thank you all for your patience and your time this morning. With that the hearing is adjourned.

[Whereupon, at 12:05 p.m., the subcommittee was adjourned.]

[The following questions were submitted to be answered for the record:]

QUESTIONS FOR THE RECORD BY REPRESENTATIVE JAMES BILBRAY—QUESTIONS FOR ROBERT A. STONE, DEPUTY ASSISTANT SECRETARY (INSTALLATIONS), DEPARTMENT OF DEFENSE

Nellis Air Force Base

Question. As you know, I am greatly concerned over the Secretary's proposal to delay funding for the Nellis hospital from fiscal year 1990 to fiscal year 1991. Now that the Veterans Affairs Committee has approved the VA's portion for fiscal year 1990, what justification can you present to the subcommittee to delay the hospital?

Answer. The Department faced many hard choices in preparation of the amended budget submission for fiscal years 1990 and 1991. The deferral of the Nellis hospital project 1 year was considered necessary when the Department weighed this action against competing budget alternatives.

Question. Besides the hospital, the Secretary has postponed many projects in fiscal year 1990 and shifted them to fiscal year 1991. This has resulted in a budget that is $15 billion over the fiscal year 1990 budget. How in good conscience do you expect me to believe that you will not cut out the hospital in fiscal year 1991?

Answer. The Department has submitted a biennial budget and our fiscal year 1991 request is before you. We remain committed to the Nellis project and it is included in our fiscal year 1991 request. Should the Congress choose, the Nellis project could be authorized and appropriated thus assuring its execution in fiscal year 1991. We do not know what fiscal constraints will arise during the next year, but if there are no substantive reductions to our military construction program, the Nellis project will likely remain in fiscal year 1991.

FUTURE OF INF BASES AND PERSONNEL

House of Representatives,
Committee on Armed Services,
Military Installations and
Facilities Subcommittee,
Washington, DC, Thursday, May 18, 1989.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 2212, Rayburn House Office Building, Hon. Patricia Schroeder (chairwoman of the subcommittee) presiding.

STATEMENT OF HON. PATRICIA SCHROEDER, A REPRESENTATIVE FROM COLORADO, CHAIRWOMAN, MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

Mrs. **Schroeder.** Good morning; we want to call the hearing to order and welcome back some people who are very familiar to the committee. We appreciate your forbearance. We are having a vote.

I guess we will now adjourn and vote and be back. We will take a temporary recess.

[Recess.]

Mrs. **Schroeder.** I think we will go ahead and begin. I apologize to our very patient witnesses. Let us start the hearing this morning.

I will just put my statement in the record, but basically everybody knows what the hearing is about. We are attempting to look at the future of the bases and the personnel that were assigned to the INF forces in Europe.

As we look at the record, it looks like the American taxpayer spent about half a billion dollars to build six ground-launched cruise missiles and three Pershing operating bases in five different European nations, and it looks like about 15,000 military personnel were assigned to operate these bases.

The question is, do the bases have any function and do the personnel have any function? Where there is this kind of investment and with the budget crunch, we are trying to look at what happened.

What this committee would like to know is why we can't relocate the 401st wing from Torrejon at some of the bases that we have just built or in some of the other bases that are around rather than starting another base in that relocation. We will need some kind of unclassified document on that if we can get it, because it is an issue that we are going to have to deal with shortly.

I think many of you were here when we had the hearing and it didn't go very well. I ended up being the moderate on the committee.

So our intention is to explore everything we can in open session and get as much of this unclassified as possible. We do have permission to close; if there is something that you think that we need to do in closed session, please tell us and we can do that. We would prefer to get as much out of the way in open before we have to do that, if possible.

Mr. Woodworth, we are very happy to have you.

PREPARED STATEMENT OF HON. PATRICIA SCHROEDER

Today we look at the future of the bases and personnel that were assigned to Intermediate Nuclear Forces (INF) in Europe.

Briefly stated, the American taxpayer spent nearly half a billion dollars to build six Ground Launched Cruise Missile (GLCM) and three Pershing II operating bases in five European nations. Nearly 15,000 military personnel were assigned to operate these bases. After the INF Treaty, these bases and personnel have no function.

So, the questions before us are obvious: What can we do with these bases? How much of our huge investment will we have to walk away from? Why can't the 15,000 INF troops be brought home? Why can't we solve some of our other European base problems, like the relocation of the 401st Tactical Fighter Wing from Torrejon, Spain or the needed move of the Naval facilities from Agnano, near Naples, by using these INF bases?

My intention is to explore all the issues that we can in open session. These issues include the cost of these bases and the future use of the personnel. When we have exhausted these issues, I will, under the authority granted me at our meeting of May 4, close the hearing so that we can receive testimony and ask questions about the future use of these bases. I understand the administration wants to keep secret our future use plans because release of those plans could induce domestic political controversy for some of our allies.

STATEMENT OF JOHN A. WOODWORTH, DEPUTY ASSISTANT SECRETARY OF DEFENSE, INTERNATIONAL SECURITY POLICY

Mr. WOODWORTH. Thank you very much, Madam Chairwoman. It is a pleasure for us to be here and have an opportunity again to address these subjects with you and with the committee.

I have given in advance a short statement, but with your permission, I will go through it. It is relatively short and does summarize the basic points we want to make.

As you know, the Alliance policy concerning Intermediate Nuclear Forces was encapsulated in the "dual-track" decision of 1979. At that time we agreed to pursue two parallel tracks: the deployment of GLCM and Pershing II in Europe on one hand, and the simultaneous push for negotiations with the Soviet Union on these weapons on the other.

The objective of this policy was to reduce the significant advantage that the Soviet Union had achieved with the deployment of the SS-20 intermediate range missile. This was an Alliance decision, supported both politically and financially by our Allies. Our overall objective was achieved by the U.S.-Soviet agreement to eliminate the entire class of INF missiles globally in 1987.

Arms control, however, is not an inexpensive process and we are now confronted, perhaps happily, with the need to find cost-effective ways to utilize the installations that were built to support deployment of those systems.

During deployment preparations, we agreed that the NATO common funded infrastructure program would absorb the costs of the operationally required construction and security system; the U.S. would be responsible for administration and personnel support facilities including family housing. The five host nations—the U.K., Belgium, the Netherlands, Germany and Italy—would provide land, utilities, roads, construction management and perimeter security. So as you can readily see, the deployment was a true Alliance effort.

In support of the program, to date, the NATO infrastructure fund has paid some $312 million while U.S. construction costs total $394 million plus $67 million for family housing.

Let me briefly discuss the deployment sites, all of which were designed for the support and security of the two missile systems. Where practicable, nearby installations were used to absorb support facilities in place of new construction. We signed bilateral agreements with each of the five host countries which included provision for the payment of residual value for U.S.-funded facilities that may be vacated.

UNITED KINGDOM

At Greenham Common, the U.K. provided some facilities and at Molesworth, we were able to use some U.S. facilities at RAF Alconbury instead of construction. Family housing at Greenham Common (254 units) has been completed, but there were no plans for construction of family housing at Molesworth.

BELGIUM

GLCM facilities in Belgium were sited at the existing Florennes Air Base, but the nature of the site required a full range of new construction; housing contracts were canceled before any but minimal construction activities were begun.

THE NETHERLANDS

The Dutch site was located at Woensdroecht Air Base where some existing host nation facilities were made available. Funding for family housing was included in the fiscal year 1988 budget, but was never appropriated.

ITALY

The site at Comiso was an isolated location and so a full range of facilities was required. Family housing (900 units) has been completed at Comiso.

GERMANY

The GLCM site is located at Wueschheim near Hahn Air Base, and some personnel and administration support was provided by that base. The family housing was also located at Hahn but was canceled before construction. Support functions for the Pershing did not require hardened facilities and therefore overall construction costs were minimal in comparison to GLCM.

Let me turn briefly to future use of the sites. We are currently in the process of developing a plan with appropriate allies based on our mutual assessment of a variety of proposed missions for these facilities after they become vacated. This is not a simple process since the U.S., the host nation and NATO must all agree on future use given the various contributions.

We have made significant progress in the identification of new missions. However, given that some of these relate to wartime missions or are still under review within NATO or with the host nation, the specifics must remain classified, as you indicated, and if you wish, we can discuss that at a later part of the hearing.

Let me turn to the question of personnel who support the GLCM/Pershing II programs. The total number of personnel spaces both Army and Air Force to support GLCM/Pershing II was 15,904, of which 14,562 of these spaces were in Europe. By the end of fiscal year 1991, all of these spaces will be eliminated.

Reduction of the service end strengths by 16,500 will occur also by 1991. The majority of this reduction reflects the phase out of GLCM/Pershing II. In Europe, however, we will reduce our forces by only 5685 spaces rather than 14,562. The remaining GLCM and Pershing II spaces were converted by the services in their programs to requirements that could not be accomplished earlier because of the need to absorb GLCM spaces under the congressionally mandated ceiling, and to needed enhancement of our European defense posture.

Examples of these functions include air base ground defense, medical war readiness, establishment of a combat maneuver training center and upgrade of undermanned combat support/combat service support units.

In summary, NATO's dual-track decision of 1979 was fulfilled in the INF agreement. In support of the decision, NATO and the U.S. spent $659 million in construction costs. Following signature of the agreement, we have begun planning in conjunction with our Allies for the most effective and efficient use of these bases.

Thank you very much.

Mrs. SCHROEDER. Thank you very much.

I assume the other two witnesses are just supporting, is that correct?

Mr. WOODWORTH. That is correct.

Mrs. SCHROEDER. Again, we appreciate your being here.

One of the things that I wanted to ask you about your statement on page 2, you say that we signed these bilateral agreements with each of the five host countries that included provision for the payment of residual value for vacated facilities.

How do we determine the residual value and what do you estimate that will be and will we get it in any of these cases?

Mr. WOODWORTH. There is no fixed figure, of course, because residual value in part depends on the point in time at which we would vacate the facilities and thus the age of the facilities at that time and also the condition that they would be in.

The residual value, however, would have to be negotiated in one of two ways, either with the host country if it is occupying the facility that is being vacated by the United States or with NATO if NATO is introducing a NATO activity at the base.

The determination of residual value would actually be a function of negotiation that we would carry out with either of those two parties.

Mrs. SCHROEDER. So the residual value would not be the money that is put into it; it would be either NATO or the host country, saying this is what we think it is worth for our use of it?

Mr. **Woodworth**. It would be a function of negotiation. It would depend in part to what extent and how many of the facilities were actually being used by—let's say the host country in a hypothetical case determines that the base being vacated by the United States, they could use it or part of it.

We would then have to sit down and negotiate with them that part which they were occupying, what value they need to pay to the United States in terms of United States monies put in and NATO monies, so they would have to further negotiate with NATO.

Mrs. **Schroeder**. What would happen to the part not occupied?

Mr. **Woodworth**. If it is not occupied by the host country or a NATO activity as such, it would be abandoned by us once we have completed our activities there.

Mrs. **Schroeder**. If the Italians say they have no use for Comiso, can we abandon it?

Mr. **Woodworth**. They don't owe anybody anything. Residual value only applies to the extent that somebody else, a host country or a NATO activity occupied the facilities for a specific use.

Mrs. **Schroeder**. A couple of years later they could easily move into it and occupy it and it would be beyond the pale?

Mr. **Woodworth**. I don't think we look kindly on that, no.

Mrs. **Schroeder**. Do you see any of the countries negotiating for this residual value at this time for any of these facilities?

Mr. **Woodworth**. I am trying to think through the whole set. At this point, no, without going into the details, which we can do later, without going into the details for almost all of these we are anticipating a U.S. use.

Mrs. **Schroeder**. So you see no residual payback?

Mr. **Woodworth**. But there are exceptions to that. It depends. In cases where we use the facilities, there is no payment, obviously.

Mrs. **Schroeder**. There are no negotiations going on?

Mr. **Woodworth**. No.

Mrs. **Schroeder**. Why did NATO spend $312 million and we spent $394 million?

Mr. **Woodworth**. It is keyed to the facilities required. In other words, under the rules of NATO infrastructure fund, NATO agreed to fund the operational related facilities and the United States paid for the administration and personnel and other related facilities. The division of cost was just a function of what facilities were required to be built.

There is no formula applied; it was purely a function of what had to be built.

Mrs. **Schroeder**. We have never renegotiated that NATO infrastructure thing, have we?

Mr. **Woodworth**. As to the percentage——

Mrs. **Schroeder**. That is right. It has been the same from day one?

Mr. **Woodworth**. No. It has changed over time. It is a longstanding fund and so has, in fact, as countries have joined for that matter, and periodically it has been reviewed and the allocations have been adjusted.

I gather at times, too, in the past, I am told, I can't say I have firsthand knowledge, at times it has been adjusted temporarily to accommodate certain adverse financial circumstances of a given country. So the allocation is a subject to review.

Mrs. SCHROEDER. If these bases are now NATO bases, and if they become United States used, do we have to pay more money to NATO?

Mr. WOODWORTH. No.

Mrs. SCHROEDER. We don't have a residual value clause vis-a-vis NATO for their investment in these bases, is that correct?

Mr. WOODWORTH. No. This would be true in part—I think that is correct—to the extent we would have activities at these bases, they would be related to NATO commitments, if you will, and in that sense, NATO would also be a supporter and a contributor to those activities, I think in every case. I can't think of an exception. So there would be no additional payment to NATO.

Mrs. SCHROEDER. I have more than expended my time on this round. Normally we go by how people arrive. Mr. Ireland arrived first, but Mr. Dickinson came in. Do you mind——

Mr. IRELAND. I would be delighted to yield to Congressman Dickinson.

Mr. DICKINSON. Thank you. I have no burning questions different from what we are all interested in.

Mr. Ambassador, the thing that is so troubling to many of us is that we remember the birthing of our GLCM bases. This committee went twice at least to Greenham Common and really literally slogged through the mud and helped bring the thing out and we had forced on us the absolute requirement that in effect we wouldn't be able to build a whole city and we had to have it there, the time of travel to be able to respond within 30 minutes to an hour of an emergency, and we were scattered all over the countryside, so we had to build schools, streets, sewage, water, everything that goes into a city, commissaries, chapels, everything, because we were so dispersed.

Then we go to Comiso, and the same thing was true again, except for different reasons. The mayor that I met with, talked with at length, absolutely was adamant that our troops who would be stationed there had to be family accompanied. He didn't want the bachelors running through his neighborhood over there. That was a whole different way of doing business. But if the families didn't accompany them there, he didn't want them there. He didn't care about the nuclear aspects of it and the fact there were bombs and so forth; he was worried about the social aspects and the impact on history.

So again we built a city. We built schools and we built homes and we built commissaries and chapels and everything, and now—I am glad for the INF treaty. Don't misunderstand me. But this and the other GLCM bases, it looks like we are going to have a tremendous expenditure to just walk off and leave.

We are probably more sensitive than any other subcommittee of the Armed Services Committee, sensitive to the quality of life of our people. In the Military Construction Committee, we insist on that and look after it.

For that reason, we are willing to put up the money for some of the things that we consider necessary that NATO does not consider necessary because we are concerned about the quality of life of our people abroad. As a matter of fact, we even got into a big discussion here. Why do we have to build a whole town or city? Why don't we have unaccompanied tours within the Air Force for our GLCM bases the same as the Marines do in Guam or Okinawa or the Army does in parts of Korea?

We were told by the Air Force, "You can't do it in the missile command because there ain't no way to ever get home based and we don't have a missile command in CONUS." So once you get into the profession of the missile command, if you only can go on unaccompanied tours, you don't rotate back to the same job skill, MOS, because there is none in the United States, so they have got to send their families with them.

This is a background to maybe help some other people put it into perspective, but it is very upsetting to us to think that we would spend this much money and earn more than NATO to put in. I am supportive of the treaty, but then to say that we would have to go—if we move our F-16s from Torrejon to Italy, that the runway—and we have an airfield and facilities there in Comiso—or some other alternative, would not be acceptable and we have to start from scratch and build a whole new complex again.

The money is just not there. Maybe someone in the DOD is beginning to realize this. The money is just not there.

So what this hearing is trying to bring out is, why can't we have some alternative use so it isn't a total waste and we can walk off and leave it. That is why we asked you here, to explain this to us.

Could you put this in context for me?

Mr. Woodworth. Yes, sir, I can try. First let me say that in a sense I guess with respect to the negotiations and the treaty, on this issue, I guess we are in a sense caught in a paradox or irony or something. It was clear for purposes of national policy and for the negotiations that if we were going to deploy, that we were going to deploy in fact and that meant the full set of arrangements that would go with deployment.

I think this was part and parcel of both indicating the seriousness of our intent to deploy, but equally it was not clear at any point in time until the end that we would have a treaty. So for practical planning purposes, you can't presume that you are going to have an outcome that we did. So we were forced into this situation in this kind of thing, that you don't presume an outcome to a negotiation, we conduct our defense policy and plans and deployments as if we were securing our defense independence of any future treaty.

Now, we are faced with I guess in many ways this is the first instance we have been faced with this situation, a successful negotiation following on a significant and important deployment that involved an alliance and we now face the question of the facilities that were built in that connection.

So in the first instance we are dealing with something we have never dealt with before. I don't think it is a dilemma that we should necessarily regret because I think it was part of the broader policy and it needs to be seen in that context. We did succeed in gaining the result and the treaty that we sought and in security terms, I think you could make a good case that this was not a bad investment in security terms.

Now, second, it seems to me nonetheless we have the facilities out there. A lot of money and effort was put into them and the Executive Branch and the military departments have been just as concerned as yourself to ensure that we don't have this go to waste if we can avoid it. Thus we have been working very hard to ensure that we can make as much use as possible of those facilities.

Frankly, we have had I think pretty good success in identifying so far activities that we want to transfer to these bases once they are fully vacated by the current INF missile units.

We don't have all the answers in yet, and I don't want to say that we will necessarily at the end of the day be able to find full use for all of the facilities but I think we are going to make a large portion of that. We will be able to use a large portion of what has been built.

Mr. DICKINSON. What we are all interested in is why is there no alternative use to the tremendous capital investment that we have across the board in these GLCM facilities?

Mr. WOODWORTH. There is. That is my point. I think we do have alternative uses in almost every case, not necessarily in every case.

Mr. DICKINSON. Thank you.

Mrs. SCHROEDER. Congressman Ireland.

Mr. IRELAND. Thank you very much, Madam Chairwoman. I would like to follow up a little bit on what Congressman Dickinson says about the bases, and then get into some of the spaces in the troop deployment in Europe. Perhaps the answers to some of my questions cannot be given without a discussion behind closed doors, as you and the Chairwoman have discussed before.

I think implicit—and I would believe at least certainly from my point of view in the questioning about the use of the bases—implicit in that discussion, I hope, although I feel that as with the troop operation, the Pentagon has a sizable credibility gap here—but implicit in that is that we are not going to find uses for these bases just to be using them.

What really we are after here is the most economical way to have the toughest fighting force. I have fought very strongly in my way in the Congress over the years to have a stronger fighting force. I think it has paid off. At the same time, all you have to do is read the daily reports of our budget troubles, and a strong military isn't going to do us any good if we have a deteriorating economic base, and indeed, that is as great a problem now as any other.

The economical use of these bases is as important as the true use, and I wonder if you can tell me as you have sought these missions for this operation, is this a make-work program? Again, I address it—you have a credibility gap in my view, along this line; and I am sure I or any of the other Members that address this haven't got in mind you finding a mission for some GLCM base just to fill up the space so you can come to us and say, this base is being used. I don't think that is what Mr. Dickinson had in mind.

Can you address the idea that if you are going to use one of these bases, where else are you going to cut in the European theater that is going to be a substantial economic advantage, because we are looking for lowest cost without destroying our capability. We are not looking to fill up bases so you can tell the gentleman from Alabama that base is filled, and we have got the schools filled and open.

What is the depth of your work along this line, and what can you show us and tell us that you are doing other than just filling up a base?

Mr. **Woodworth**. Let me try a general answer, and then General Fogleman or General Christman might want to add further details.

To go into the specific activities that we have identified as potential activities for these bases, if we could do that in closed session, we would prefer not to go into those specifics in the open session.

Mrs. **Schroeder**. One of the problems that we have, I think, is that with everything we wanted to do in closed session, is there not anything we can talk about in open? That is why it sounds like maybe it is make work.

Mr. **Woodworth**. Let me try first an open-session answer, which is this, that no, I don't think that the objective, surely no direction has been issued from the Office of the Secretary of Defense or from the military departments to tell the people in the field to develop uses of these bases so that we can have some sort of a good story.

The way this is done, we have gone to the CINC in Europe. He has been the person responsible; and he is responsible, of course, for identifying the allocation, distribution of his activities and functions in the theater. He is in the best position to do so.

He developed the recommendations that we have worked on so far and which are ongoing, identifying where we could make most efficient use of existing available facilities with the functions and activities that he wanted to get done. Going from that, then we looked at the bases that were available, how those might be able to be used, and in many cases, they examined ways where it would, in fact, save money over time to be able to do that. This was really the underlying basis on which we have approached the task.

Also, there have been shortfalls that the CINC has wanted to fill and to improve; and so he has been anxious, too, to do that, and we have supported that.

Mr. **Ireland**. I would like to explore this further, and we can talk later how public it needs to be. I have heard nothing in all this—and certainly if it is going to happen, it certainly wouldn't be not unknown to the public—but I would think if we have a substantial facility that we are thinking of utilizing now, that the INF is out.

The gentleman from Alabama has described those in some detail to us that we would certainly be reducing activity at other locations, and yet we have not heard anything about what would be reduced otherwise, which leads me to believe, my information of all informations, that we are going to be finding some other redundant function for these bases, keeping other locations functioning just as they always were.

This is exactly the same thing that has been done in the troop operation where you say you are cutting down spaces, and the credibility gap looms when you are at the same time saying you are not bringing these people home.

The same thing is happening with the headquarters report where it is shown that there are seven or eight thousand people in headquarters around this world that could be reduced. By the time you get through just moving them to other things, out of sight, out of mind, the job doesn't get going on, and we become merely a military entitlement program.

We need some reflection on the numbers of troops. We need some reflection on these bases that we are not playing the shell game again. If you could, tell me if you have identified some secondary bases that will be closed when you move to utilize the more modern GLCM bases. Can you name one or two or three right quick?

General FOGLEMAN. We can in closed session. We will name that base.

Mr. IRELAND. Thank you.

Mrs. SCHROEDER. Congressman Ortiz.

Mr. ORTIZ. Madam Chairwoman, I am sorry I am a little late, and maybe this has been addressed, but what is going to happen to those 15,000 men? Are they going to stay there? Are we going to bring them back, that support INF?

Mr. WOODWORTH. I addressed that in my statement—the roughly equivalent slots, positions, by 1991, when the systems will be out of the force structure as a result of the treaty, these slots will be out of the end strength of the Air Force and the Army.

Mr. ORTIZ. But what happens?

Mr. WOODWORTH. They are out of the end strength.

Mr. ORTIZ. This is 15,000 slots that will no longer be in the military?

Mr. WOODWORTH. That is correct.

General CHRISTMAN. You want to know what happens to Spec. 4 Jones as a missilier—for example, there is some fungibility of skills.

Mrs. SCHROEDER. Would the gentleman yield?

That is one of the things we are troubled about. It is that rather than lower the end strength in Europe you are trying to change it, so you cut the overall number, right?

Mr. WOODWORTH. That is correct.

Mrs. SCHROEDER. So instead of taking the numbers out of Europe and redeploying them back here, you are trying to cut the number and taking half of that number not from Europe but from Colorado Springs, as I understand, which is an interesting game. It is the only mobilized unit we have that doesn't rely on reserves, so that is what they cut out.

I think that was the purpose of the air-land proposal, saying we ought to lower the numbers in Europe, but we didn't mean you had to totally do away with them.

You are going to lower half and take the other half from here and then the question is, what happens to the guys that are still there? Are they picking up trash or something?

Mr. WOODWORTH. What we are looking at here is the management of a large organization. Now, because of the budget constraints at minimum, each department, the Army and the Air Force, are going to cut their end strength roughly equivalent to the reduction and elimination of slots from these missile systems. What happens next is to try to determine in this large organization which has deployments here and there what is the most efficient use, what are the things we need to accomplish.

It doesn't necessarily follow that because we are taking *x* number of troops out of the GLCM force and the Pershing force in Europe that there are no other activities that ought to be filled and accomplished which otherwise could not be filled. This is a permanent management function to accomplish certain missions, and I don't think it necessarily follows that simply because you are reducing these slots of a missile system that are being eliminated under a treaty that you don't have activities that the manager of that large activity needs to take into account.

General CHRISTMAN. As Admiral Crowe once said when he was given the same statement about picking up trash, he cannot let that lie on the floor without picking it up. There are important military requirements that need to be performed in Europe with some but not all of the troops that are represented by the INF package.

Mr. ORTIZ. When you say by some but not all, what figure are we looking at?

General CHRISTMAN. About one-half of the total of 6300, in round figures. One-half of that, as you mentioned Madam Chairwoman, is coming from the States, and one-half from Europe. That portion from Europe will be used to be sent to our combat training center at Hoehenfels to create there an operational force of Soviet style trained soldiers so that our units rotating through the combat training center will be able to face realistic training in the European scenario.

That is the bulk of the soldiers who will remain of that total for intended use in Europe.

Mr. ORTIZ. These are individuals by special skills, am I correct?

Mrs. SCHROEDER. Is this a new mission? We never had this mission before.

General CHRISTMAN. At the combat training center at Hoehenfels, the operational force, the threat force had been filled for years by a regular Army battalion that was rotating out of an American concern and would attempt to portray a Soviet unit.

Our experience at the National Training Center in California has demonstrated that the best combat training we can achieve is to create as we did there a unit organized and equipped exactly as the Soviet Army is equipped and these soldiers, some of whom have infantry skills already assigned to the INF package, that element will be used for the operational force at Hoehenfels.

Mrs. SCHROEDER. Then what happens to the guy that rotated through that before? What do they do now?

General CHRISTMAN. Through Hoehenfels?

Mrs. SCHROEDER. Yes.

General CHRISTMAN. He would continue to rotate through Hoehenfels but this time be used as a blue force against a Soviet threat force.

Mr. ORTIZ. The way I see it, if we had 15,000 soldiers there and because of the INF Treaty, I would think that they would come back and there would be no more use for them. Actually, we are not saving the taxpayers any money. Are there figures as to how much money we are saving?

General CHRISTMAN. I don't have figures about the money savings. I think the Ambassador's statement indicates that the Arms

Control Agreement was not a cheap process. This investment of $300,000,000, $400,000,000 achieved for us a result.

Mr. ORTIZ. I can understand that, but my perception was that because they were not going to be needed, we wouldn't use those 15,000 people, that maybe we can either bring them back——

Mr. WOODWORTH. If I could add one point to that, as I explained in the end strength, the cost to the taxpayer is ultimately the end strength of the service. So if you reduce that many from the end strength, there is that many fewer that the taxpayer is paying for. That number is being taken out of the end strength as far as the taxpayer is concerned.

If you want to look at it as there was an economic return from the treaty, that is true.

General CHRISTMAN. In the Army case, they are being removed from Europe and taken out of the force structure, period.

Mr. ORTIZ. Thank you.

Mrs. SCHROEDER. Congressman Bilbray.

Mr. BILBRAY. When you refer to the NATO commitment to the cost of these programs, what is ours, 28 percent of that is paid for by the United States?

Mr. WOODWORTH. In the infrastructure fund, that is correct.

Mr. BILBRAY. When you say $374,000,000 is paid for by the United States on their side of it, plus an equal amount is paid for by NATO, it is really we are paying like 65 percent or something like that of the overt cost of anything we do over that, is that correct?

Mr. WOODWORTH. It depends on the particular circumstance. I can give you exact figures if you would like, in this case, but the total cost of the construction of the required construction at the INF bases, total cost NATO and United States, $706,000,000. The total U.S. cost, including our share of the infrastructure fund, was $481,000,000.

Mr. BILBRAY. That seems like about 60 percent now.

Mr. WOODWORTH. That is close, right.

Mr. BILBRAY. Here is my concern. I am a new Member of this committee, but listening to the more senior Members is the fact that it seems like in the long run, some time in the future, we are going to come home. We are not going to continue to be there when you have a Europe that in 1992 will probably have the largest gross national product of any combined entity in the world, and we have our Pacific Alliance that we have to maintain our Pacific presence and our European presence.

The concern I have is the fact that we build facilities that eventually we are going to have to turn over to NATO, and we pay the lion's share of the cost of those programs. I think we have to look at them very closely—in the Pacific we are negotiating for the Philippines and talking about spending money at Clark and Subic Bay for added military facilities.

If I were the Philippines, and I saw we are going to spend millions of dollars to add facilities, I would know I was in a great bargaining position because the Americans aren't going to spend $200,000,000 in new facilities at the same time they are planning to say if you don't make a good deal, we are going to leave.

In Europe and Asia, it worries me that we are going ahead with programs that we plan to pull back. Talking to Members of Congress, some of the facilities being planned in Europe are not meeting with very good response. The West German parliamentarians were concerned and wanted to know if Pat Schroeder had put Andy Ireland up to this; and I said no, it was his idea—I guess we are going to Turkey for the North Atlantic Alliance to fight this battle again like we did in Hamburg.

The West Germans say we can handle the problem by raising taxes. That may be true, but I don't think there is an appetite here to do that. The DOD ought to look at the fact that we are concerned in Congress we are building facilities when we won't be there. Do you see us being in Europe at our present strength in 10 years?

General CHRISTMAN. The problem of costs and the question related to what we should or should not build are taken seriously in the Department. None of this comes cheaply. Defense never has.

You could equally say that whereas the United States has paid 28 percent of the infrastructure fund, Germany has paid 27 percent. So Germany has sunk in 27 percent of that full amount to build a base in Comiso——

Mr. BILBRAY. When you have a base in West Germany, a lot of us have military bases, it brings a lot into the local economy to have a base there. Americans pour billions of dollars a year into the German, Italian and Greek economy. The money that goes into their economies is not returned to the United States in the form of taxes or other things, and that is a big concern.

I think the Germans don't want the bases to end because they don't want to increase the size of their military; and second, it is a big help to their economy.

Mr. WOODWORTH. How long we will be in Europe, nobody can answer that question specifically. I suspect that we will remain, frankly, in close cooperation with our allies and with the deployed association with the Alliance for some substantial time. If the world changes in more dramatic ways than I think any of us can currently envision, obviously there will be changes.

The way I would look at that is that is a lost investment. We are building a security structure. In many respects, we have had substantial success, mainly peace. That is not a small gain from an investment.

If the world changes substantially in the period ahead which permits us either as a result of negotiated agreements or because of other changes to substantially change our force structure in Europe, is that a lost investment?

Well, I pose the question. Frankly, I think in my mind the answer is no. Yes, it is money that would be spent and I don't know how you could avoid that to the extent that you are investing in defense to achieve an objective. There is no cheap way to do it. But until those changes happen, prudent policy says you build a defense structure, and that costs money.

That is building facilities. Facilities have always been a part of the force structure. There is no way to have the structures there anticipating a changed world or an arms control agreement. There is no way to prudently do it.

Mr. DICKINSON. Would the gentleman yield?

Just an objection, Mr. Ambassador. To help you appreciate the frustration of this committee—we are all on the same side. We are trying to do the same things, but we are not sure we are coming from the same direction.

When we see a draw down of people projected, but there is no draw down or increase as requested for demilitarization, whether it be Europe, the Pacific, whatever, an example, Panama, we have signed a treaty. We are out of there in 1999. Every year the military comes in with a substantial request for military construction in Panama.

This year the request was something like $20,000,000 to build new things in Panama. We haven't drawn down one damn troop in Panama since we signed the treaty. There is not diminution, no slackening off of our efforts there. As a matter of fact, we have more personnel in Panama now than we had when we signed the treaty. We have a request for new missions, we have new aircraft down there, and you want to—if in 10 years we are going to walk off and leave this, why do we keep requesting this—I am picking Panama as an example, but that pertains wherever around the world you want to go.

We draw down in the INF structure—end strength, I understand about that, and that is good. But the taxpayers and the people in the Congress want to see some changes, if you do this that ought to save some money, but we don't see the savings or the reduction in effort.

Getting back to Panama again, we have an increased effort there. I don't know where we are going now, but there seems to be some strange mentality over there across the river. There is no bottom in the bucket. Just if you need it in there, we will justify it and we will keep people onboard. It makes for a terrible frustration of us here that are working with you to the point where you are going to find an adversarial position developing pretty soon if it doesn't already exist.

Mr. WOODWORTH. I take your point. With respect to the proximate issue we have here of the INF bases in Europe, in a sense, of course, it is a sunk cost. So the real question is given it is a sunk cost, can we make the best use of what is otherwise expended. We cannot reverse that. So the objective has been not to not use them but to use them and make the most efficient use we can of them. It is a sunk cost.

Mrs. SCHROEDER. We contribute 28 percent, we find out we really paid 70 percent of this, and we find that over and over again, and we cannot really get a handle on how it is being used. We keep taking Congressman Ravenel's time.

Mr. RAVENEL. I won't pontificate on how I feel about the Germans and their lack of picking up the tab. I will confine my questions to the subject under discussion.

Tell me about Crotone now. We selected that area for the 401st. I feel it should be deactivated and the things given to the Guard and Reserve.

You selected that base because you wanted an isolated type situation, didn't you? That was one of the criteria when you selected it?

Mr. **Woodworth**. It was a criteria. In the first instance, Italy was invited to host the wing; and in the second instance, Italy accepted that invitation; and in the third instance, it was up to Italy to nominate a site or sites. They did that.

Mr. **Ravenel**. Given our unhappy situation near Madrid, we would not have accepted a base had it been on the outskirts of Rome. We have been through that in Spain. We don't want that again. Would you agree with that?

Mr. **Woodworth**. Yes.

Mr. **Ravenel**. Crotone is going to require a full range of facilities to be constructed because we have seen, we know what you need to construct there, family housing needs to be constructed there?

Mr. **Woodworth**. That is right.

Mr. **Ravenel**. Other support facilities, a chapel, PX, child care center and this, that and the other, the full range, right?

Mr. **Woodworth**. That is correct.

Mr. **Ravenel**. Why then—the assessment says the site at Comiso was an isolated location, and so a full range of facilities were required. It says family housing, 200 units have been completed at Comiso. Why, then, if you are determined to keep the 401st over there, wouldn't Comiso be the logical place to live? You have everything there you need. If you need an additional runway, certainly you can pour some more concrete.

Mr. **Woodworth**. Let me answer that in two parts. Part of it, Madam Chairwoman, you asked at the beginning of the hearing whether or not we might be able to provide a paper that would address the reasons why we don't think Comiso would be a possible alternative, and we can do that. We will work with the committee whether for the record or however we do that. We will be glad to do that.

There were two parts to this; there are the practical considerations in whether Comiso would be a practical facility for a different kind of unit, different from a ground launched cruise missile unit as opposed to a tactical fighter wing. This was considered carefully because we knew we had the investment there, and we knew that the unit was going to be leaving.

But from a practical standpoint, Comiso simply doesn't lend itself to installing that. You cannot put the runway there in any practical sense. The housing is two-fifths of what would be required for a tactical fighter wing. You would have to make a number of other adjustments, build all the facilities needed for a fighter wing, hangars and everything else that you don't have for a cruise missile base. We have shelters for the cruise missiles, and they are entirely inappropriate for a fighter wing.

Even a more practical case, the geography of the area and the population setting of the area also contributes to the impracticality of doing it, and there are even other circumstances, roads and access and water and too many other things that in sum led to Comiso not being practical as an alternative site for the 401st.

The second part of that, too, is on the Italian side. It is ultimately up to them to nominate possible sites, and this was not a site that they nominated. But for practical reasons as well—they couldn't see how to do it really. Even if you tried to go there, you would have to still spend a substantial amount of money.

I don't know the exact difference, but—I don't know whether I would be overstating it, but close to the same amount of money it is going to cost to build the base at Crotone.

The housing is built right adjacent to the old runway, so you can't simply take the old runway and extend it to a 2-mile runway you would need.

Mr. **Ravenel**. On another tack quickly, if you don't get any MilCon money for Crotone, what are you going to do?

Mr. **Woodworth**. If we don't get any money for Crotone, the larger question is what is the United States going to do, because it is an important question.

Mr. **Ravenel**. In a sense, we are the United States.

Mr. **Woodworth**. I am saying that—it is not just the DOD. The question will be larger than just what is the DOD going to do. The United States has—let me review it for a second if I can take a minute to do that, because the question is important, and a general one.

Briefly to review the way in which we went about reaching this decision on Crotone with the Alliance in 1988 was not a decision lightly taken. It was not done precipitously and not done without a good deal of negotiation.

When the result of the Spanish negotiations came about that we would have to remove the 401st, that problem was presented to NATO, what should we do with the wing? That issue was considered in the first instance over a period of almost a half a year by the Alliance, should it or should it not support the retention of that wing in the southern region of NATO?

The answer was—in a decision taken last May was yes, we should. NATO agreed and made a decision to support the relocation of that wing in that region.

Over the following 6 months, it addressed in great detail the costs involved, and 6 months later, at the end of 1988, the Alliance agreed it would fund with NATO infrastructure funds the relocation of that base and make the financial commitment necessary and to increase the fund to accomplish that.

My point on this is that there is a lot of history involved in the decision to relocate to Crotone. There are political and financial commitments, and there are diplomatic commitments. The decision was taken with this kind of deliberateness and, I believe, reflects the feeling of the Alliance, that it was important to have that base remain in Europe in the southern region.

It was not a decision lightly taken. If we reverse ourselves, we, the United States, and now not support that relocation, there will be significant consequences. There will in the first instance be a significant consequence with our close ally, Italy, and the political fallout will not be small.

There will be a significant consequence with respect to the Alliance as a whole which collectively took the decisions. There is going to be a substantial consequence with respect to United States efforts on burdensharing because this situation was taken most fundamentally as a demonstration of Alliance support of United States burdensharing initiatives. If we renege on this, our credibility will go down sharply.

Mr. Ravenel. We are paying 28 percent of whatever NATO is going to kick in, plus the other ancillary stuff that you want, so probably we will be paying if it is built, and hopefully it will not be, probably 70 percent of the total cost, the American taxpayer will bear.

When you crank it all in, 28 percent of whatever NATO kicks in, we are going to be paying back over a period of time NATO for the housing, plus the other things.

Mr. Woodworth. The figures on Crotone, it was unique. That was the magnitude of the decision by NATO. Crotone was unique in terms of what NATO agreed to pay for. The division of monies expended for the GLCM bases were done on the ways expenditures and monies have been divided by any ally.

In Crotone, the case was different, and NATO agreed to essentially pay for the entire base. In other words, they are building for that purpose a whole—the whole set of facilities that would otherwise not be funded by NATO through the infrastructure fund and have never been funded in any other previous case.

So, it is not 70 percent. We put in 28 percent, and the housing I would argue is a special case.

Mrs. Schroeder. But we still end up spending $500,000,000 out of the $800,000,000.

Mr. Ravenel. We spent a whole hearing on what it would cost and the financial arrangement and the way the construction of the base housing would be handled there. We are talking about $500,000,000.

Mrs. Schroeder. Half of a building, pretty soon it is real money.

Mr. Woodworth. We ought to discuss the housing thing, because I don't think it is a simple matter. I don't think it is correct to say we add the cost of the housing onto the net cost we pay.

Mrs. Schroeder. Congressman Foglietta.

Mr. Foglietta. My question is a basic question that goes to the philosophy or the priorities of our spending. In your testimony, you talked about the approximate expenditures of some $394,000,000 of American money, $312,000,000 of NATO money, 28 percent of which is ours, plus another $67,000,000 we have spent; so we are talking about money somewhere in excess of a half billion dollars for the INF bases to be established in Europe.

On two recent visits to some of the bases in Europe, I was speaking to Admiral Gallo, Commander of the Agnano Naval Base, where I found the local conditions—we have a naval base there which is in a seismic area susceptible to earthquakes. It is in the crater of a volcano. It is susceptible to terrorist attacks. The hospital has two floors closed off because of cracks eight inches wide in its walls.

Admiral Gallo estimates that if a small earthquake came, we could easily lose approximately a thousand men, maybe many more, yet when he talks about removing that base or rebuilding a new hospital or new facilities for our personnel, he is told that we don't have enough money.

Please comment on our philosophy of priorities and why we could spend a half billion dollars in developing homes for missiles and we cannot do it to provide hospitals and safe bases for our personnel.

Mr. **Woodworth**. I think in fact this is an issue that has been well known and much effort to relocate that activity and that, in fact, is about to be done, as I understand it. Congress has supported that.

Mr. **Foglietta**. Supported what?

Mr. **Woodworth**. The funding for——

Mr. **Foglietta**. No money has been proposed—they are moving part of that base to land that we already own outside of Capodichino airport.

Mr. **Woodworth**. Could I have one of our supporting people address that? The matter is being addressed.

Mr. **Harper**. William Harper in the Deputy Assistant Secretary of Defense Installation's office. There was money in last year's budget to begin construction at the airport near Naples.

Mr. **Foglietta**. That is Capodichino airport, which is still in a crater. It is susceptible to terrorist attacks, and it is in an earthquake area.

Mr. **Harper**. In the Naples area, there are two types of seismic activity in the Agnano Crater now. The buildings we occupy there are leased facilities. The buildings were not constructed for the earthquake. The buildings will be done to earthquake specifications so that they will be able to withstand any kind of tremors.

Mr. **Foglietta**. Is it true or not true that the move to reestablish the entire base in a very safe area north of that area up in Capua was scuttled because it is going to cost us too much money?

Mr. **Harper**. In part, and in part because there was objection from the Congress itself. That particular move to Capua would have cost us in the neighborhood of $250,000,000.

Mr. **Foglietta**. We cannot spend $250,000,000 to house our personnel and to build a new hospital, but we can spend over half a billion dollars to house our missiles?

Mr. **Harper**. Again, the move to Capodichino was one in which we responded to certain congressional concerns on the expenditure of funds.

Mr. **Foglietta**. That is a small part of the base, not the entire base. We are still going to leave personnel susceptible in the Agnano base after we build Capodichino?

Mr. **Harper**. Yes, but they will be in the low-rise buildings which are not as susceptible to earthquakes.

Mr. **Foglietta**. I would like to make another comment. As you know, I also serve on the Seapower Committee, and I don't want to get into any classified information, but I think it is fair to state that we are talking about the development of—the reason I am hesitating, I want to make sure—we are talking about close to 4,000 ICBMs on Trident submarines, a thousand warheads on our existing Minute Man missiles, additional 500 on our 50 MXs—we are talking about going into the Midget Man development—just forgetting Midget Man for the moment, just talking about the 4,000 Trident, 1,000 Minute Man and the 50 MX we are talking 5500 warheads, and yet our goal for disarmament at the START talks is 4,900.

We are already 600 over, and we are going to be facing the same situation if they reach agreement on ICBMs in Geneva as we are facing here today on a much larger scale. We are going to be sitting here talking about how do we cut back and get rid of a couple thousand ICBMs and their bases.

If you want to comment, you may, but I want on the record my feelings about it.

Mrs. SCHROEDER. Thank you.

Mr. FOGLIETTA. Would you like to comment on that?

Mr. WOODWORTH. Without going into the details of our strategy posture or the START negotiations, people are conscious of that. If there are changes as a result of agreement, adjustments will be made, but I don't think that is—returning to an early part of our discussion, our force posture is not structured around the presumption of a particular outcome in an arms control negotiation. If we have an arms control result, we adjust it to that result.

Mr. FOGLIETTA. That is where we are in this hearing. That is why we are spending money when we could be cutting back.

Mr. WOODWORTH. In a sense, that is correct.

Mr. FOGLIETTA. Do we have to go full force ahead while still negotiating to cut back?

Mr. WOODWORTH. I don't think there is any way to presume the outcome of an arms control negotiation and tactically, if you will, the word seems rather small for the purpose, but tactically is it wise to adjust your defense posture, start to change or to reduce or whatever on the presumption of an outcome in an arms control negotiation when what you really need is leverage.

The determination you reflect in your defense posture is part and parcel of that leverage. My view is that it is more prudent to define your defense plans, your defense requirements and pursue those, do what is necessary with respect to them while you are negotiating. If the negotiation produces the results you want, you make the necessary adjustments, but you don't presume an outcome. It is impossible to know the outcome.

Mr. FOGLIETTA. Thank you.

Mrs. SCHROEDER. Congressman Martin.

Mr. MARTIN. Thank you. I want to apologize for being late, but I was testifying before the Immigration Subcommittee on a private bill.

Mr. Ambassador, thank you for coming back again. I want to pursue one of your responses that related to the effect it would have on the Alliance if we were effectively to fail to seize the moment on this and take advantage of this burden sharing happening, moving the F-16s from Spain to Italy.

As hardheaded as I am, and as convinced as I am that we maintain the peace by having a strong defense, even I understand basing these budget numbers and the cost that we are taking across the board in every single area of the defense budget and for the foreseeable future—even I understand there are real tough decisions that have to be made.

Is there any appreciation on the part of the Alliance of the problems that we face as a very practical matter here with our budgets, and that while they do pay 72 percent of the NATO infrastructure, we pick up 28 percent, and that it is a more significant burden on us now than it was in past years, and that we are not in the process of trying to carry any less of a share than we possible can, but that it is not backing off from the Alliance, but a very practical budget problem we have—is there any suggestion on your part that they have no appreciation for that?

Mr. WOODWORTH. No, sir, I would not say that. I think they are highly conscious of our budget difficulties. As a matter of fact, I would say significantly conscious. The United States has and is being the largest member of the Alliance, and if you will, kind of the backbone of the Alliance.

What happens in our own defense budget has repercussions throughout the Alliance, and the financial constraints that we are facing, and they are serious, as you know better than I do, I am sure—are recognized.

The question is, I think, for them and for ourselves, is to what extent we will be able to sustain and meet our necessary defense requirements. In that sense, it is a question also of prioritization and defining what has to be spent or not spent.

I think it—we are making changes as you know already, significant changes in the defense posture as a result of our budget constraints.

Mr. MARTIN. Let me ask one other question. I am not looking to predict what is going to happen as far as congressional action on the move to Italy, but assuming that for this Congress that was not approved, could any right thinking person that we deal with in the Alliance consider this a bug out on the part of the United States Government and their failure to lift a fair share of the defense of NATO of which we pay 28 percent—it doesn't sound reasonable that this project would be of that enormity that it would cast doubt on American resolve as part of NATO.

Could any right thinking person consider that an affront to NATO somehow that we are not lifting our proper share?

Mr. WOODWORTH. I don't think it would arise in the sense of the United States not doing its proper share. Our share is enormous in the Alliance, and we are the largest member. That is not surprising. I think where the difficulty would come would be two-fold.

One is political. I think because of the significance of the decision that was taken on that—and the way in which it was taken, there would be political repercussions. Our allies understand our budget constraints. Many of them are facing the same problems. This is a larger problem than just the United States right now, as you know.

They would understand that, but I think for this project, which was given the significance that it was politically and financially, the withdrawal of the United States from support of it, I think, would have an adverse political effect.

But I think strategically, too, the grounds for retaining that wing are not lightly taken. There is an importance attached to the retention of that capability in the southern region of NATO, and I think the withdrawal of that would not be seen as heavily to the security of the Alliance.

Mr. MARTIN. Is there an appreciation on the part of the Alliance that the negotiations in the agreement relative to the transfer to Italy were made before the budgets of President Reagan and President Bush were sent down is there any appreciation that we don't have the running room that we had back at the time it was negotiated?

Mr. WOODWORTH. I think that would be recognized for sure.

Mr. MARTIN. I hope the Ambassador would convey that, the worst situation if we were not to fund this. I would hope that would be part of your charge.

Mr. WOODWORTH. That would take a lot more than me.

Mr. MARTIN. I have a mathematical problem. On Page 3 of your testimony, you talk about reduction in service end strength by 16,500 will occur by 1991. Correct me if I am wrong, but the budget talks about 90 percent reductions, 11,700 versus 16.6. That seems to be 4800 less than your testimony indicates. Why is that?

Mr. WOODWORTH. I am sorry. What is the alternative figure then——

Mr. MARTIN. The budget, as I recall for 1990, talks about a percentage draw down of 11,700 because of this rather than 16,500.

Mr. WOODWORTH. I think the difference is 1990 versus 1991.

Mr. MARTIN. By 1991.

Mr. WOODWORTH. In the fiscal year 1991.

Mr. MARTIN. Which would be 1990 fiscal year, wouldn't it?

Mr. WOODWORTH. Beginning in October of 1990. So that after—by the end of fiscal year 1991, the reductions would be realized.

Mr. MARTIN. So I shouldn't take by 1991 literally?

Mr. WOODWORTH. You mean meaning before then, no. You are correct, sir.

Mr. MARTIN. Congressman Spence.

Mr. SPENCE. No questions.

Mr. SPENCE. Congressman Montgomery.

Mr. MONTGOMERY. I have no questions.

Mr. SPENCE. Let me come back for a few more things.

Can you explain to me why we need additional percentage on Crotone? If we are moving the 401st, I thought we were doing the same number of people that we had in Spain, and I see we have down 955 more people than we had in Spain.

General FOGLEMAN. I have a handout that may help with that, if I could ask the folks to hand out Page 2 of the Manpower—it addresses the 401st relocation.

What we have tried to do is break out the delta. The 955 figure is composed of first of all 485 people that will go to take care of base maintenance. When we were at Torrejon, we had a base maintenance contract which we do not think that we will be able to have a comparable contract, so 485 slots were put in for that.

Mrs. SCHROEDER. Let me go back to the combat maneuvering training center in Germany. You said that they have been training people there all along. What I take is going to happen is you are going to put the equivalent of another brigade in there, and that is why you are downsizing the brigade in Colorado Springs.

General CHRISTMAN. No, we are going to put the equivalent of a reinforced battalion, approximately a thousand soldiers there.

Mrs. SCHROEDER. Then what are you doing with the rest of the slots from Colorado Springs?

General CHRISTMAN. The cut of a little over 3,000 is part of the overall Army end strength reduction of about 7900. In combination with the Colorado Springs cut and the cuts in Europe, as well as an overhead account to take care of those soldiers, who would be in schools, hospitals, et cetera, associated with those reductions, that together is the 7900 total draw down in Army end strength for the budget years 1990-1991.

Mrs. SCHROEDER. Why did you pick that one brigade? Congressman Hefley researched that and shows that to be the only Army brigade that doesn't rely on reserves, is rapidly mobile. It looks to us if we asked the Park Service to take a cut, we know what they would cut; they would cut down the Washington monument, something that got attention.

Is that the purpose?

General CHRISTMAN. No. The reason why the Carson Brigade was cut was because it is the only Army heavy division deployable to Europe that is not already rounded out. The intent, of course, is not to hollow out units by salami slicing to try to take a big enough cut to attain the total cut strength but still not affect our deterrent posture. For that reason, the Army was reluctant to take a division in toto.

It is not one of the early deploying divisions, and it is the least modernized of any of the Army heavy divisions and hence in efforts to save that modernization cost, that brigade was selected from amongst a population of candidates.

Mrs. SCHROEDER. Did you factor in how mobile units like that are very apt to be needed if in the next 5 to 10 years we start redeploying more people back to the United States and need that mobility? In the long-term view, that seems more difficult to justify than other things.

General CHRISTMAN. In the long-term view, I think you are right. It was important for us to keep a perspective downstream for possible developments in Europe, CFE and elsewhere. Any effort to eliminate an active brigade provides the potential for the restoration of that brigade later should troops be brought from overseas to Colorado Springs or elsewhere.

Mrs. SCHROEDER. It seems that they will move heaven and earth to keep slots overseas—we have got to put more into Crotone, and we will cut the life blood at home to maintain that overseas posture, and I have a lot of trouble understanding why that makes any sense.

Let me ask the Air Force a question. Do you have the numbers of people involved in close air support in Germany, how many personnel units that would be that are now not able to train because of the German——

General FOGLEMAN. I would like to provide the numbers for the record.

Mrs. SCHROEDER. What do we do if they cannot train? If we have lots of Air Force troops that should be doing close air support and cannot, what do they do, and how many are there? I suppose now we will probably take out a B-1 wing or something to preserve them.

Congressman Ireland.

Mr. IRELAND. Thank you, Madam Chairwoman.

A couple of things right at the outset. I reflected on your earlier answer about whether indeed you were finding trumped up things to do to utilize those bases in which the INF forces are moving out of. Your reply was that well, perhaps no, you weren't doing that, and you couldn't answer the question of well, if you are moving around, what bases then—other bases now utilized would be closed so you could utilize the GLCM bases and Pershing II bases.

Perhaps you could furnish that kind of information to us in such form, and if that isn't satisfactory, I would ask the Chairwoman to have a closed session so we can hear, because first of all, if you move from some other base to a nonused INF base, it is certainly going to be a public matter, and I think this dancing around is a little absurd anyway.

We need to know that because there seems to be little emphasis on making these moves in an economically efficient manner. That would be item number one, if we could accomplish that as expeditiously as possible. We need to be happy and declare at least some sensible victory in this regard to the INF troops.

Less than 6 months ago, when we suggested that maybe these troops ought to come home along with their hardware, the news from the Pentagon was, oh, that couldn't possibly happen. Now at least we have gotten to the degree that the end strength is going to be reduced by that number.

The idea that it is going to take that long to reduce that is, I am sure, in the mind of the American people an indication of what some of our bureaucratic problems are in the service. It shouldn't take, as the gentlemen from New York found, to the end of 1991 to reduce that end strength.

Mr. WOODWORTH. One point on that. You know the units still exist. We are still operating those.

Mr. IRELAND. I understand that, but I think a serious review of it would say the 16,000 end strength could happen a lot faster than the end of 1991. If you look at the calendar, the end of 1991 and the requirements under the INF, that is an extended length of time and doesn't look very efficient at all.

Be that as it may, compared to the cost of other things, that is small potatoes. We should be thankful that at least you finally got the message that the end strength ought to be reduced. There is a troubling thing that came up during Admiral Crowe's hearing before us and troubling as we tried to make sense out of the figures.

You have said you will reduce the end strength by the roughly 16,000 that was the amount of the INF troop strength—in a sense you are saying by your numbers—it is awfully difficult to get any sense out of your numbers. You are saying that half of those will roughly come from Europe, half of them will be in the United States.

We have had the discussion about those in Colorado, and this is sort of a management decision. I would say that it is this kind of credibility problem that is always thrown back at the Congress as the fact that we are micromanaging, and I think there would be less micromanaging if we had a little bit more credibility on what you are doing.

For instance, in your testimony here you say, and I will quote, it says, "The remaining GLCM and Pershing II spaces were converted by the services to their program—in their programs to requirements that could not be accomplished earlier."

First of all, this great conversion, a pretty serious decision was made in that conversion, the ones we have been able to find out about and which there has been no information given to the Congress, saying the remaining Pershing and GLCM II spaces were converted by the services in their programs to requirements that could not be accomplished earlier because of the need to absorb GLCM spaces under the congressionally mandated ceiling. That categorically is not true.

The Admiral in his testimony misspoke when he said so. I have had a visit from General Link of the Joint Chiefs of Staff. The legislative record is very, very clear that the troops put in there for the Pershing II and GLCM were not troops taken from other billets.

We need to get clear on this and stop coming to us—we didn't come to town on a turnip truck either, and there are a lot of us that want a strong military, but we are tired of layers and layers of bureaucracy and this kind of credibility problem.

Those spaces were put there by the Congress of the United States by increasing ceilings. You are saying we took something from other things, now we have to have them, the case in point of training people. The lady from Colorado said it is indicative of that kind of thing.

What we need to know is why since over the 8 years or roughly whatever the time the GLCMs were there where we increased the ceiling to provide for those troops and we got along famously during that period of time without these things referred to by you as things that couldn't be accomplished, now they should be accomplished.

I think you ought to come before the Congress, somebody addressing to the services here and say how were you able to get along without this so long ago when at least as strong a threat was there ~~as there~~ is now?

You were able to get along without those and now you are going to keep 8,000 more troops there to fill these things in. That is bureaucratic mishmash, and I don't like the idea of continuing to bring this kind of thing to us.

Mr. MARTIN. Will the gentleman yield to me?

I asked our staff experts here to get some figures because of my recurring math problem, which is not unlike the problem Mr. Ireland has.

But getting back to our other discussion, the information we received in the request for fiscal year 1989 through the end of 1991 calls for a total reduction of 13,100. Twelve hundred of those are in the United States Navy, 7700 in the Army, and the Air Force, 4200.

So if you take all of the Army and all of the Air Force through the end of fiscal year 1991, the figures we have it is a total reduction of 11,900. That is end strength across the services wherever you might want to get them from, and the figure of 16,500 just doesn't work out; old math, new math, any math.

Mr. MARTIN. I think——

Mr. IRELAND. We are talking about total credibility here, and we have got to deal with this in a different way than the kind of gobbledygook we are getting now.

Mr. WOODWORTH. A couple of things. Let us check with the figures you have, and we will work with the committee. I believe the figures that I have given you today are the correct ones. If we have discrepancies, we will have to sort it out.

Congressman Ireland, on the question that you asked, could we provide something that explains if we are moving activities to GLCM bases what happens to the facilities from which they came, we will give you for the record an answer to that. It is a fair question. We will do our best to give you the best answer we can.

As far as to your point does the notion of taking these slots out of the force structure by 1991, that that could have been done faster or not, my only point is that the draw down of these forces is happening over that same period of time, and therefore in terms of having that draw down relate to those forces, it is logical, I think, that that be done during and through 1991. That is when the units go out of the active force.

Mr. **Ireland**. We could take a lot of time talking about this, but the nature of the use of the troops that are stationed there, it is dismantling troops that are there, so the troops can go a lot faster. No sense arguing about it. It is a matter of logic and fact.

Mr. **Woodworth**. Either missions or activities that were not otherwise able to be accomplished or filled when the European troop ceiling was raised to accommodate in part the GLCM force in 1983, I guess it was——

General **Fogleman**. It was actually raised—in 1983, the ceiling was 315,600 men. In 1984, it was raised to 320,000. In 1985, specifically in recognition of GLCM, I am told it was raised to 326,314.

Mr. **Ireland**. I suggest that you relook at the legislative record. It isn't so. Perhaps you could talk to General Link. Your figures just don't fly with the Congressional Record of accomplishment here.

To save you from getting further out on a limb, I would suggest that you recheck your figures.

General **Fogleman**. We will do that.

Mrs. **Schroeder**. Are there any other questions the Members want to ask in open session?

Congressman Martin, do you have any further open session questions you would like to ask before we close?

Mr. **Martin**. Just one.

Mr. Ambassador, I have a list of figures—there is one element that is confidential, NOFORN. I would like to get you a copy of this today and present you with the figures that we are using as far as the costs are concerned for this movement of the wing from Spain to Italy. So that there is no confusion down the line as we debate the matter of whether or not this is going to be in or out of the budget, look at it and let us know any figures you disagree with.

Let us know right off so we can be sure when we debate this that we are dealing with the same figures as far as cost of movement.

Mr. **Woodworth**. It is important that we understand the figures between us for sure.

Mrs. **Schroeder**. Anybody else have any questions?

Then we will clear the room and proceed to the closed session so we can get more details about what is happening.

[Whereupon, at 11:55 a.m. the subcommittee was adjourned.]

[The following questions were submitted to be answered for the record:]

POINT PAPER
ON
HISTORY OF EUROPEAN TROOP STRENGTH (ETS) CEILINGS

- FY 1983 DOD Appropriations Act
  - Limited number of US military personnel permanently stationed ashore in NATO Europe to 315,600 at end of FY 1983
    - One year limit
    - Same as number stationed ashore at end of FY 1982
  - Allowed President to waive ceiling by declaring an overriding national security need to Congress
    - President exercised waiver of 1,380 for Ground Launched Cruise Missile (GLCM) forces
- FY 1984 DOD Authorization Act
  - Set FY 1984 ETS ceiling at FY 1983 level (315,600)
  - Provided for higher ceiling (320,000) if certain conditions met
  - Permitted an additional 2600 to both ceilings for GLCM deployment
    - Conditions were met and ceiling raised to 320,000
- DOD review established need for 326,414 (including 4650 for GLCM) for FY 1985 to meet NATO Europe defense needs
- FY 1985 DOD Authorization Act (PL 98-525)
  - Established permanent ETS ceiling of 326,414
  - Provided no exception above this ceiling for GLCM deployment
- ETS ceiling remains at 326,414

EXECUTIVE SUMMARY

QUESTIONS: (a) What has been done with the GLCM drawdown billets? (b) What is the track of GLCM billets (military and civilian) from prior to the INF Treaty (baseline) through the FY 90 Reagan Budget and the current Bush budget?

ANSWERS:
(a) All Air Force manpower associated with the GLCM program has been eliminated from the FYDP by the end of FY 91. Total manpower associated with GLCM in FY 88 before the INF Treaty was 9,684 spaces. The Air Force eliminated 4,159 spaces in FY 89, an additional 769 in FY 90, and the remaining 4,756 spaces in FY 91. These billets were not reinvested in any other program. In fact, the elimination of the 9,684 GLCM manpower spaces is the major factor driving a total decrease in programmed Air Force end strength of 12,506 spaces from FY 88 to FY 91. This is proof that GLCM billets were not reinvested in any other programs, therefore, no further reduction of Air Force end strength is warranted.

(b) Prior to entry into force of the INF Treaty, the Air Force had 9,684 GLCM manpower spaces (8,590 military and 1,094 civilian spaces). In FY 89, the Air Force GLCM program was reduced to 5,525 spaces (4,863 military and 662 civilians). In FY 90, the Air Force has 4,756 spaces (4,125 military and 631 civilians) programmed for GLCM. In FY 91, the remaining 4,756 spaces are eliminated by the end of the fiscal year. The manpower numbers for the GLCM program are the same for the Reagan and Bush budgets.

QUESTIONS: (a) What is the track from the original European Troop Strength (ETS) ceiling to what is being asked for through FY 91 under the Reagan budget? (b) How has it been modified under the Bush budget?

ANSWERS:
(a) The ETS ceiling was first established by Congress at 315,600 military stationed in Europe for FY 83. In FY 84, the ceiling was 320,000. In FY 85, Congress established a permanent ceiling of 326,414. This permanent ceiling included an allowance of only 4,650 for GLCM beddown. The remaining GLCM growth (3,599 military spaces) through FY 88 had to be offset by sending other Air Force programs in Europe to the CONUS to remain within the ceiling. The ceiling has remained the same from FY 85 through FY 91. Any reduction of the ceiling could require unilateral force structure reductions which is counter to national security interests currently being pursued through arms control negotiations.

(b) There is no change to the ceiling in either the Reagan or Bush budgets.

QUESTION: What has been done with the GLCM drawdown billets? What is the track of GLCM billets (military and civilian) from prior to the INF Treaty (baseline) through the FY 90 Reagan Budget and the current Bush budget?

ANSWER: All Air Force manpower associated with the GLCM program has been eliminated from the FYDP--resulting in a 9,684 Air Force End Strength reduction. The following table shows the GLCM manpower baseline in FY 88 (prior to INF) and tracks the annual GLCM end strength through FY 91 (there is no difference in GLCM end strength between the Reagan and Bush budgets):

GLCM END STRENGTH TRACK

	FY 88[a]		FY 89[b]		FY 90[b]		FY 91[b]	
GLCM END STRENGTH	CONUS	EUR	CONUS	EUR	CONUS	EUR	CONUS	EUR
Military	341	8,249	341	4,522	-25*	4,150	0	0
Civilian	125	969	125	537	111	520	0	0
Total	466	9,218	466	5,059	86	4,670	0	0

a FY 88/89 PBA
b FY 90/91 Reagan/Bush Budgets
* Programming error; removed too many from CONUS too early

The following table shows the GLCM manpower drawdown from FY 88 through FY 91.

GLCM MANPOWER DRAWDOWN

	FY 88-89		FY 89-90		FY 90-91		TOTAL	
CATEGORY	CONUS	EUR	CONUS	EUR	CONUS	EUR	CONUS	EUR
Military	0	-3,727	-366	-372	+25*	-4,150	-341	-8,249
Civilian	0	-432	-14	-17	-111	-520	-125	-969
Total	0	-4,159	-380	-389	-86	-4,670	-466	-9,218

* Programming error correction

BOTTOM LINE: All GLCM manpower was removed from the FYDP effective in the fourth quarter of FY 91.

For comparison purposes, the table below shows Total Air Force End Strength for the same time period of FY 88-91.

TOTAL AIR FORCE END STRENGTH

PROGRAMMED AF MANPOWER	FY 88[a]	FY 89[b]	FY 90[b]	FY 91[b]
Military	575,603	570,965	567,900	566,800
Civilian	265,425	262,943	262,354	261,722
FYDP TOTAL	841,028	833,908	830,254	828,522

a FY 88/89 PBA
b FY 90/91 PBA

BOTTOM LINE: The elimination of all GLCM manpower (-9,684 spaces) is the major driver in decreasing Programmed Air Force End Strength 12,506 spaces from FY 88 to FY 91. This is proof that GLCM billets were not reinvested in other programs. The only benefit gained from the loss of GLCM manpower was the ability to place previously or independently funded programs into Europe without exceeding the Air Force's European Troop Strength target established by USCINCEUR.

QUESTION: What is the track from the original European Troop Strength (ETS) ceiling to what is being asked for through FY 91 under the Reagan budget, and how has it been modified under the Bush budget?

ANSWER: The following table shows the ETS ceiling for FY 83 to FY 91 as established by Congress. The ETS ceiling for the Reagan and Bush budgets is the same.

	FY 83[a]	FY 84[b]	FY 85[c]	FY 86	FY 87
ETS CEILING	315,600	320,000	326,414	326,414	326,414

	FY 88	FY 89	FY 90	FY 91
ETS CEILING	326,414	326,414	326,414	326,414

a Does not include 1,380 for GLCM specifically excluded from the ceiling.

b Does not include 2,600 for GLCM specifically excluded from the ceiling.

c Permanent ceiling established which included no more than 4,650 GLCM spaces in FY 85. Remaining GLCM growth (3,599 military spaces) through FY 88 was offset by decrements in other Air Force programs in Europe.

From FY 83 to FY 88, when GLCM was being installed in Europe (+8,249 military spaces), USCINCEUR also approved other Air Force programs for movement into Europe to meet the assessed threat. Some of these programs are shown below with their approximate manpower requirement over the same period of time (FY 83-88).

PROGRAM	MANPOWER
Force Structure (TR-1, F-15, F-16, F-111, F-4)	+1,800
Air Base Ground Defense/Air Base Operability/ChemBio Defense)	+700
Antiterrorism	+200
Special Operations Forces/ Combat Rescue	+200
Satellite Communications Net	+80
Compass Call	+600
Prepositioned Equipment	+90
Medical	+400
Munitions Squadron	+130
Total	+4,200

BOTTOM LINE: During the beddown of GLCM and the other programs (minimum 12,500 spaces), the Air Force's ETS target grew only 7,532 from 85,820 in FY 83 to 93,352 in FY 88. This required the Air Force to take at least 5,000 spaces out of Europe in other programs to keep from exceeding the ETS target in FY 88.

The table below shows the Air Force's ETS target, programmed military manpower (FY 90/91 PBA), and the available ETS headroom (difference between the target and programmed manpower).

	FY 88	FY 89	FY 90	FY 91	DELTA (FY 88-91)
AF Target	93,352	93,352	91,508[a]	91,016[a]	-2,336
Programmed ETS Military Mnpwr	93,135	91,625	91,328	89,197	-3,938
Available ETS Headroom	217	1,727	180	1,819[b]	

a USCINCEUR decremented Air Force portion of ETS by 1,844 in FY 90 and 2,336 in FY 91 to accommodate increases in conventional forces for other Services.

b Any reduction of the ETS ceiling in excess of 1,819 would hamper USCINCEUR's ability to field currently programmed Air Force forces and would require him to adjust the other services' portion of the ETS ceiling or force him to send force structure needed to meet the threat back to CONUS.

BOTTOM LINE: Air Force military spaces in Europe dropped 3,938 from FY 88 to FY 91. The GLCM withdrawal deleted 8,249 military spaces. However, movement of high priority conventional force needs such as the 401 TFW relocation, force structure changes, medical war readiness, air base ground defense, and air base operability into Europe increased AF military presence by 4,311 spaces. These increases were funded previous to and/or independent of the GLCM drawdown and do not represent any reinvestment of GLCM manpower; therefore, no further action by Congress to reduce Air Force end strength as a result of the INF drawdown is warranted. With respect to the European Troop Strength ceiling, any action by Congress to reduce the ceiling could require USCINCEUR to make unilateral force structure adjustments to meet the lowered ceiling. This could be counter to national security interests currently being pursued through separate arms control negotiations.

Questions submitted by Rep. Ireland

Background

I am planning to offer an amendment to the FY1990 Defense Authorization bill that will lower congressionally mandated personnel ceilings, but to introduce such an amendment, I need specific information on the number of military and civilian personnel directly and indirectly associated with the INF forces.

In a letter dated January 24, 1989, I asked the GAO to prepare a detailed report on the disposition of INF-related personnel. In order to respond to my inquiry, the GAO, in turn, asked the Defense Department to provide certain, specific information. Although four months have passed since I initiated this inquiry, neither the Army nor the Air Force has given the GAO the requested information. The GAO says DOD is being "uncooperative and unresponsive."

Questions

1) When will the required information be provided to GAO?

2) Secretary Cheney has recently made some important decisions regarding INF personnel. What effect will those decisions have on the number of Army and Air Force personnel stationed in Europe?

3) What effect will Secretary Cheney's decisions have on end-strength of the two services?

3) The Army and Air Force indicate that they intend to reduce the number of military personnel in Europe by 7,373. The JCS suggests the projected decrease will be slightly lower -- 5,685. What is the correct figure?

4) Assuming 7,373 is the correct figure, does that mean that DOD would then support an amendment to lower the ceiling to 319,041?

5) Internal DOD documents indicate it costs about $600 million a year to support Pershing II and GLCM units, including O&M and personnel expenses only. What were the total estimated annual operation and support costs for Pershing II and GLCM units in FY1987 and FY1988?

6) What were the phase-in costs for Pershing II and GLCM programs by year, 1980-1988, including all investment and support costs. Provide personnel levels associated with annual dollars totals?

7) How much would be saved by Secretary Cheney's INF-related decisions? (Please provide a detailed breakdown of all projected savings)

8) How many times has DOD formally asked Congress to raise the troop ceilings? Please provide dates and numbers.

Question: When will the required information be provided?

Answer: DoD provided all available information to the GAO as soon as the request was received. Since February, Service staff officers spent many hours working with the GAO staff in order to provide explanations in support of this data. However, among the requested data was a listing of the name of every individual involved in the INF unit, his old job skill and assignment, and his new job skill and assignment. Service automated personnel files are some of the largest computer systems in DoD and are specifically designed to support personnel management, not auditing of historically assignment practices. Regardless, both Army and Air Force have been designing software to acquire the necessary data. On 1 June DoD was informed by the GAO staff that this data was no longer required and the design efforts have been terminated.

Question: Secretary Cheney has recently made some important decisions regarding INF personnel. What effects will those decisions have on the number of Army and Air Force personnel stationed in Europe?

Answer: The manpower ceiling for Europe allows for the permanent assignment of 326,414 military personnel in Europe. It was the Department of Defense intention to continue to program troops up to the full amount allowed by the ceiling--even after the INF treaty was implemented. However, reduced funding levels caused DoD to program 325,331 billets for FY 1990 and 320,729 billets for FY 1991.

Question: What effect will Secretary Cheney's decisions have on end-strength of the two services?

Answer: Because there are so many put and take actions involved in the budget, there is no absolute relationship between Secretary Cheney's decision and Service end strength. However, Army requested end strength is 7,400 billets less in FY 1990 than 1989, and is reduced another 300 in FY 1991. Air Force end strength is reduced 3,065 between FY 1989 and FY 1990 and another 1,100 between FY 1990 and 1991. The net end strength reduction from FY 1989 to 1991 for the two services is 11,765.

Question: The Army and Air Force indicate that they intend to reduce the number of military personnel in Europe by 7,373. The JCS suggests the projected decrease will be slightly lower -- 5,685. What is the correct figure?

Answer: By FY 1991, the total programmed strength for Europe will be 320,729 -- 5,685 below the current European Troop Strength ceiling of 326,414.

Question: Assuming 7,373 is the correct figure, does that mean that DoD would then support an amendment to lower the ceiling to 319,041?

Answer: The correct figure is 5,685 not 7,373. DoD does not, at this time, agree to support an amendment that would lower the ceiling. The fact that the troop strength is assigned or is being programmed below the allowed ETS ceiling is a function of fiscal constraints rather than a specific effort to lower troop levels in Europe. Until the Conventional Forces in Europe talks are concluded, the United States should take unilateral action to lower the troop ceiling in Europe.

INF BASES AND PERSONNEL

Question: Internal DoD documents indicate it costs about $600 million a year to support Pershing II and GLCM units, including O&M and personnel expenses only. What were the total estimated annual operating costs for Pershing II and GLCM units in FY 1987 and FY 1988? FY 1988 costs should reflect the amended budget position.

Answer: FY 1987 estimated annual operating costs for the mission program element, PE 27314F - Ground Launched Cruise Missile, as reported in the FY 1989 President's Budget, were:

	($000)
O&M (3400 appropriation)	56,945
Mil Pers (3500 appropriation)	110,747

FY 1988 estimated annual operating costs for the mission program element, PE 27314F - Ground Launched Cruise Missile, as reported in the FY 1990 Amended President's Budget, were:

	($000)
O&M (3400 appropriation)	41,022
Mil Pers (3500 appropriation)	134,425

Question: What were the phase-in costs for Pershing I/II and GLCM programs by year, FY 1980 - FY 1988, including all investment and support costs? (identify by appropriation). Also provide the related personnel levels by fiscal year.

Answer: The phase-in costs for the GLCM program in the mission program element, PE 27314F - Ground Launched Cruise Missile, as reported in the PFY actuals columns of the President's Budgets for FYs 1982 - 1990, were:

	FY 1980	FY 1981	FY 1982
Missile Proc (3020)	8200	164126	351888
Mil Const (3300)	0	22200	74500
O&M (3400)	209	383	1533
Mil Pers (3500)	296	1515	4387
Other Proc (3080)	0	0	8977
Fam Hsg Const (7040)	0	0	14887
	8705	188224	456172

	FY 1983	FY 1984	FY 1985
Missile Proc (3020)	468011	635313	644102
Mil Const (3300)	75000	74510	19039
O&M (3400)	7577	13361	44540
Mil Pers (3500)	11066	20313	50678
Other Proc (3080)	11419	22184	16798
Fam Hsg Const (7040)	0	0	46164
	573073	765681	821321

	FY 1986	FY 1987	FY 1988
Missile Proc (3020)	508554	144082	7907
Mil Const (3300)	43515	34520	0
O&M (3400)	48275	56945	41022
Mil Pers (3500)	83580	110747	134425
Other Proc (3080)	20637	3820	1179
Fam Hsg Const (7040)	0	0	0
	704561	350114	184533

Manpower figures include all program elements associated with the GLCM program (operations and support).

	FY 1980	FY 1981	FY 1982
Military Manpower	29	131	289
Civilian Manpower	4	8	18
	33	139	307

	FY 1983	FY 1984	FY 1985
Military Manpower	1542	2910	5180
Civilian Manpower	93	298	550
	1635	3208	5730

	FY 1986	FY 1987	FY 1988
Military Manpower	6946	7734	8585
Civilian Manpower	1104	1210	1099
	8050	8944	9684

Question: What were the phase-in costs for Pershing I/II and GLCM program by year, FY 1980-FY 1988; include investment and support costs (identify by appropriation). Also provide the related personnel levels by fiscal year.

Answer: Cost and related personnel levels for Pershing were as follows:

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
Costs									
Aircraft Proc	-	-	-	.2	.1	.2	.2	.2	-
Missile Proc	-	1.9	243.9	463.5	428.7	382.0	212.8	14.0	20.2
WTCV Proc	-	-	-	.04	.04	.8	.9	1.0	-
Other Proc	3.9	17.6	12.8	51.4	40.5	76.4	42.1	19.9	-
MCA	-	-	-	-	-	-	47.4	29.5	-
RDTE	145.4	149.1	154.5	111.0	21.5	-	-	-	-
Subtot Invest	149.3	168.6	411.2	626.1	490.8	459.4	303.4	63.7	20.2
O&M	25.1	29.9	37.7	60.2	50.2	66.3	76.6	80.1	72.7
MPA	75.8	88.1	107.5	115.8	171.3	167.3	161.4	144.4	125.0
Subtot Opns	100.9	118.0	145.2	176.0	221.5	233.6	238.0	224.5	197.7
Total	250.2	286.6	556.4	802.1	712.3	693.0	541.4	288.2	217.9
Personnel Levels									
Off	485	392	425	434	457	491	470	498	478
Enl	5,915	6,224	6,436	6,560	6,028	6,275	5,896	5,988	5,836
Total Active Army	6,400	6,616	6,861	6,994	6,485	6,766	6,366	6,486	6,314

Question: How much would be saved by Secretary Cheney's INF-related decisions? (Please provide a detailed breakdown of all projected savings)

Answer: The FY 1990/FY 1991 President's Budget reflected the reapplication of 7,900 military end strength available from the Pershing II inactivations to meet other critical Army requirements. The budget revision reduced the active Army military end strength by 7,900 and 8,300 strength, respectively, in FY 1990 and FY 1991. In both years, 7,900 of the end strength reduction was related to Secretary Cheney's decision to decrease active Army military manpower by the number of end strength made available from the Pershing II inactivations. The Army will not carry out the planned conversion of Pershing II missile units to 155 self-propelled howitzer or Multiple Launch Rocket System battalions. The Army will retain 3,300 of the available strength in Europe to enhance conventional warfare capabilities. Accordingly, to achieve the full manpower savings from the Pershing II, the Army will inactivate one active component brigade of the 4th Infantry Division (Mechanized) and "round out" the Division with a reserve component brigade. The savings resulting from these "INF-related actions" are summarized below:

	FY 1990	FY 1991
Army Force Structure in Europe		
Active Military End Strength	-3,300	-3,300
Dollars in Millions		
Operation and Maintenance, Army	-10.4	-24.6
Military Personnel, Army	-29.8	-61.9
Total Savings, Europe	-40.2	-86.5
Army Force Structure in CONUS		
Active Military End Strength		
Inactivate Brigade of 4th ID	-3,300	-3,300
Cancel Planned Conversion at Fort Sill	-300	-300
Training, Transient, Holding, and Schools	-1,000	-1,000
Dollars in Millions		
4th ID		
Operation and Maintenance, Army	-7.7	-16.5
Military Personnel, Army	-29.8	-61.9
Fort Sill		
Operation and Maintenance, Army	-.5	-.6
Military Personnel, Army	-2.7	-5.6
Training, Transient, Holding, and Schools		
Operation and Maintenance, Army	-.9	-1.8
Military Personnel, Army	-9.0	-18.9
Other 1/		
Operation and Maintenance, Army	-.5	-5.9
Total Savings, CONUS	-51.1	-111.2
Operation and Maintenance, Army	-9.6	-24.8
Military Personnel, Army	-41.5	-86.4
TOTAL "INF-RELATED" Savings	-91.3	-197.7

1/ Savings in Central Supply/Maintenance and Medical Programs in CONUS are offset by additional costs associated with transferring equipment.

HASC MI&F Hearing Transcript on Future of INF Bases and Personnel

Question: How many times has DoD formally asked Congress to raise the troop ceilings? Please provide dates and numbers.

Answer: The DoD has not requested to raise the troop ceiling. The DoD has consistently requested Congress to eliminate the ceiling. There are two basic reasons for this position. The Congressional limit indicates to our allies and adversaries a lack of political will. Congress also indicates a desire to micromanage DoD affairs by failing to allow Defense to determine the best force level.

EXECUTIVE SESSION

Mrs. SCHROEDER. The subcommittee will come to order.

Congressman Ireland asked unanimous consent to put a statement in the record which we will do, without objection.

PREPARED STATEMENT OF HON. ANDY IRELAND

Mme. Chairman, thank you for convening this hearing on the INF Treaty and its effects on U.S. bases and personnel in Europe. My resolution, to reassign the civilian and military personnel associated with the Intermediate Range Nuclear Forces from Western Europe to posts in the United States, is a logical proposal that is not at all like the perennial calls for massive troop withdrawals from Europe. It is a considered approach to saving some defense dollars and sending a signal to our allies -- that the American taxpayer cannot continue to bear the disproportionate burden for Europe's defense that we have for the past 40 years.

After studying the strategic, economic, diplomatic and political issues involved in this nation's commitment to the North Atlantic alliance, I am convinced that we can trim some of our European military operations without lessening NATO's defense posture in the slightest. I am equally convinced that the United States must remain as strong economically as it is militarily. Unless we bring our extensive alliance commitments into line with contemporary fiscal reality, we could set ourselves on the road to ruin that has brought down so many great powers before us. America can and will remain the leader of a strong Western alliance, if Congress and the Pentagon face up to the pressing need for a defense policy that recognizes the strategic and economic challenges we face.

That is why we must save money where ever possible in our international defense commitments. And NATO is just the place to start saving money. American defense of Western Europe has become a virtual entitlement program for our allies, and like most entitlement programs, it is extremely expensive. More than half of the U.S. defense budget goes toward the defense of our Western European allies.

At a time when we in Congress must ask American taxpayers to tighten their belts, it is becoming increasingly difficult to justify such massive expenditures on an unnecessarily bloated U.S. presence in Europe and elsewhere. As a supporter of a strong national defense and a believer in the notion that peace comes through strength, I cannot abide the flagrant misuse of hard-fought defense funds, such as maintaining personnel where they are no longer needed. That goes for obsolete bases here at home, as well as abroad.

Legislative history shows that the ceiling on military and civilian personnel in Western Europe was waived and raised on three separate occassions, specifically to accommodate the introduction of the Pershing II and Ground-Launched Cruise Missiles. The first waiver came in fiscal year 1983, followed by waivers and actual ceiling increases in fiscal years 1984 and 1985.

The alliance was considered safe before those personnel were sent to Europe, and the alliance will be safe when they return home. The civilian and military personnel ceilings for Western Europe should be lowered to reflect the elimination of the INF mission -- a mission that has ended after extensive bilateral negotiationse between the United States and the Soviet Union, and much public debate here and in Europe.

The American taxpayer should be able to look for some savings when a mission of this scope is eliminated. Estimates on savings under the INF Treaty have ranged from several hundred million dollars to more than two billion dollars, depending on what is done with the INF personnel. But those savings will never be realized if the personnel assigned to the INF mission are squirrelled away in other European posts. If the Army and Air Force have legitimate needs for personnel in other European missions, that issue should be dealt with separately and honestly. As for the INF personnel, their mission is over, and they should come home.

The Vander Shaaf Report

On a related issue, I would like to point out that other missions are being eliminated from Western Europe, yet the personnel associated with those missions are being shuffled around to other European posts. This is the type of activity that undermines public confidence in defense spending and hampers our efforts to maintain a lean fighting force on our front with the Soviet Union.

The General Accounting Office has provided me with a study on the implementation of a Review of Unified and Specified Command Headquarters, which was conducted by DOD Inspector General Derek Vander Schaaf. The Vander Schaaf report found extensive duplication of functions, excessive layering of organizational structures, and considerable overlapping of responsibilities among the various command headquarters around the world. In other words, the Pentagon has too much top brass and too many bureaucrats stationed abroad. Rather than propose arbitrary, across-the-board percentage cuts, as some have advocated in the past, this study advocates a responsible trimming of personnel, targetted at very specific command functions and based on a thorough analysis of manpower requirements at designated headquarters.

The Vander Shaaf report concluded that the Defense Department could cut as many as 7,309 positions out of its worldwide command structure, at an estimated savings of $1.7 billion over fiscal years 1990-94. The GAO's report to me shows that, of those 7,309 positions, the Department has eliminated less than half of them -- 2,990 -- from its budget for fiscal 1990 and 1991. Of those 2,990, fully 75 percent (2,244) have been "reallocated" to other posts abroad. So only 746 positions were truly eliminated. The rest of those personnel have merely been shuffled from the command headquarters to other, very expensive posts in Europe and elsewhere -- just like the INF personnel.

This is a major affront to the American taxpayer. A position in the armed services -- especially an assignment to a cushy foreign post -- is not an entitlement. If those missions have been eliminated, those personnel should be shipped home, not given make-work in Europe. We don't need to match the Soviets bureaucrat for bureaucrat; we need a lean, mean fighting force. The American people are supportive of a credible U.S. presence in Western Europe, but I don't think they will tolerate such flagrant waste of their tax dollars.

The cavalier treatment of the Vander Shaaf recommendations and the shuffling around of INF personnel both point to a bureaucracy that seems more intent on protecting its own turf than representing the interests of the American taxpayer. I have been fully supportive of the program cuts announced so far by Secretary Cheney, and I would offer this as another area in which he could use his budget scalpel.

I plan to offer an amendment to the FY 1990 Defense Authorization bill that will lower the Congressionally mandated personnel ceilings in Europe. The number by which those ceilings are lowered will reflect the total number of INF personnel, as well as the excess headquarters personnel in Europe.

Mrs. **Schroeder**. I think we can convene now.

The floor is yours. Tell us about the new use for the bases.

STATEMENTS OF AMBASSADOR JOHN A. WOODWORTH, DEPUTY ASSISTANT SECRETARY FOR EUROPEAN AND NATO POLICY, DEPARTMENT OF DEFENSE; MAJ. GEN. RONALD R. FOGLEMAN, DIRECTOR FOR PROGRAMS AND EVALUATION, DEPARTMENT OF THE AIR FORCE; AND BRIG. GEN. DANIEL W. CHRISTMAN, DEPUTY DIRECTOR OF STRATEGY, PLANS AND POLICY, DEPARTMENT OF THE ARMY

Mr. **Woodworth**. Why don't we do it this way: I will turn to General Fogelman and General Christman to go with particular items that are under discussion now.

Let me just say as a prelude to that that the reason that we have—that this information should be classified is due in part because we are engaged in diplomatic discussions with the countries concerned, so to honor their rights and sensitivities in this and our own.

We don't want to violate the confidentiality of those discussions.

Second, in some cases, there are important military security reasons in terms of determining what should be the proper activities.

So that is another factor.

Finally, in some cases, there can be local impacts, political impacts, and it is important, quite frankly, therefore, that we, with the host country and then with NATO, reach together a clear agreement about what should be the change in activities and then to work carefully with them about how to handle that publicity.

This is especially true in Germany where there is great sensitivity about what will happen to the facilities if they are vacated.

Mr. **Ireland**. I think we found there is sensitivity in Colorado, too.

Mr. **Woodworth**. I think so.

With that, General Fogelman.

General **Fogleman**. We have about eight or nine pages. It is in briefing format, a handout that I think would help us walk through the six GLCM bases very rapidly and share with you the follow-on uses.

Our plan as a way of overview at this point would be to [deleted] at RAF Greenham Common, at RAF Molesworth, and at Wueschheim Air Base in Germany.

[Deleted] at Florennes, [deleted] Woensdroecht and Comiso [deleted].

The second page merely reiterates the drawdown schedule and [deleted].

If we look at RAF Greenham Common, [deleted].

That would result in a savings.

This briefing is backed up by a cost benefit analysis that has been conducted by the people in the theater. That report is being forwarded to OSD and we see no reason why that report could not be shared with the members of the committee in that it not only talks about operational advantages, but it also talks about other benefits that accrue to the folks as a result of that.

Mr. **Ireland**. When would we be able to have that?

General **Fogleman**. I think it is merely a process of how fast we can make the paperwork work.

Mr. **Ireland**. We ask for a lot of things around here and that can be literally months and months and months.

General **Fogleman**. I would not see it as that.

Mr. **Ireland**. Would you care to give us a date we can expect it?

Mr. **Woodworth**. We haven't had a chance to review the study as such, but we can do that.

Mr. **Ireland**. What if you review the study and you found it fallacious; in other words, it sounds like a cart before the horse kind of a deal here.

Mr. **Woodworth**. If we find it fallacious, we would be caught in a dilemma.

Mr. **Ireland**. This is kind of like "trust me" benefits. You are going to go ahead and do all these things and work out a benefit schedule afterwards.

I must have spent too long in the business world. You work those things out first and then you act.

General **Fogleman**. Sir, the report exists—the deadlines that went out to the people who built the report said that it should be of the quality and rigor that would withstand a GAO analysis.

Mr. **Ireland**. We don't know that until we see it and then you get all these things done.

Mr. **Woodworth**. We will try a top-of-the-head estimate if you will allow me to come back to the committee in a couple of weeks.

General **Fogleman**. The report is done. It has been through the air staff and is in the process of being transmitted to DOD.

Mr. **Woodworth**. If, for any reason, we discover that that is not possible, can I get directly back in touch with you?

Mr. **Ireland**. Very good.

General **Fogleman**. RAF Molesworth, [deleted].

I can talk more about the benefits of these later, if you wish, or now, but fundamentally, you are going to get [deleted].

It is further from harm's way and makes sense from that aspect.

Wueschheim is an annex of Haun. [Deleted].

You would get a payback [deleted] those sort of things.

[Deleted].

Mrs. **Schroeder**. Is any of this going to drive new construction?

General **Fogleman**. In a couple of cases, there are requirements for new construction that are considered in the cost-benefit payback and that is all in the report.

In fact, I can recite what we see there.

Florennes, [deleted].

The other thing, this gets back to your question about are there possible uses that NATO may make of some of these facilities. This is one of them.

There is the Allied Air Force Central Europe Tactical Leadership program which is programmed to go in there.

Mr. **Martin**. [Deleted] at Florennes?

General **Christman**. [Deleted]. It is a NATO-funded program.

General **Fogleman**. Woensdroecht, in the Netherlands, is a site we have never actually deployed missiles into. [Deleted].

I think Comiso, you are very familiar with the situation there, so I won't go through that.

The report which we have talked about and the estimated cost, which really comes out on the next page, we looked at two methods.

One was just mothball the bases and continue to operate these things where they were; and the second option was to implement those proposals.

We think it makes economic and operational sense from a quality-of-life standpoint.

What you get if you look at the one-time cost sort of analysis that you are looking at there, again, Madam Chairwoman, where you see an increase that is normally associated with some sort of MilCon or some sort of equipment that would have to be bought to put that unit in there.

[Deleted].

You can see in the annual recurring how we determine the rate of payback.

Mrs. SCHROEDER. What is classified about this is the fact that you have not really finished the negotiations with the countries?

General FOGLEMAN. That is right.

We are currently negotiating, but the host nation approval process and the latest I have on that is an anticipation that that should be complete by late June or early July.

Mrs. SCHROEDER. The bottom line is there is no money coming from any of this, no country saying, "OK, we will pay the residual costs."

Those negotiations aren't going on anywhere?

Mr. WOODWORTH. If I could add a point on the classification side, at Florennes, the plan to locate the NATO Tactical Leadership program there has been announced. That was announced by the Belgium Government. That was a month and a half ago, I think.

Mrs. SCHROEDER. Does anybody have any questions?

Mr. IRELAND. I have a question, if I may.

Comiso is under construction, right, at this point, according to you?

Mr. WOODWORTH. Comiso, I think, is essentially done.

General FOGLEMAN. Yes, I believe it is complete.

Mr. IRELAND. What does it say on this sheet that you have reflecting—what does that mean "under construction"?

General FOGLEMAN. Under consideration.

Mr. IRELAND. But then under construction, it is finished and it is totally manned; right?

Mr. WOODWORTH. Right now it is; yes. It is an all-up base, yes.

Mr. IRELAND. I misunderstood—it is totally staffed, totally manned, operational?

General FOGLEMAN. Yes, sir. [Deleted].

Mr. IRELAND. According to this, it won't begin to drawdown until [deleted].

General FOGLEMAN. That is when they come off of alert and [deleted] is when we have to begin the dismantling [deleted] when the Soviet inspection team comes in and verifies that all the equipment has been moved to the CONUS.

Mrs. SCHROEDER. Mr. Martin.

Mr. MARTIN. Thank you.

Here we go again with the Martin math and logic.

General **Fogleman**. You are talking to a history major, sir, so I may be in trouble.

Mr. **Martin**. RAF Molesworth, [deleted].

General **Fogleman**. Yes, sir.

Mr. **Martin**. Am I misreading the chart or don't I understand the logic of it being more expensive [deleted].

General **Fogleman**. I may not have been complete enough in my explanation on the previous chart.

[Deleted].

So that is really where you get your figure. If you [deleted].

I could give you the specific figures, if you like, in terms of O&M and personnel, but you get an efficiency buy——

Mr. **Martin**. In other words, looking at this chart, you have to know that other piece of information?

Mrs. **Schroeder**. In fact, we probably ought to have that for the record because otherwise it looks like you are paying an awful lot for mothballs.

General **Fogleman**. I have it on the next page.

Mr. **Martin**. You can imagine the problem I have, faced with the headquarters of the USAFE/IX/AC economic analysis of GLCM—GLCM, I got. If we could have that explanation because if someone picks this up, it is kind of misleading unless you have the other information.

General **Fogleman**. The details will be in the study along with the operational, the economic, and the quality of-life thing.

[Deleted].

Mrs. **Schroeder**. If there are no further questions, let's go back to the Army.

Could you tell us about follow-on uses for these bases that we heard might be nuclear, if anybody knows?

General **Christman**. I will endeavor to tell you as much as I know.

I don't have a handout, however, the Army had envisioned [deleted].

The Army, under its earlier plan prior to the current budget cuts which forced us to take down end strength [deleted] the three sites, Neu-Ulm, Heilbron, and Schwaebisch Gmeund, [deleted].

That plan was finished by the spring of this year. When Europe was told that they had to cut the roughly three thousand soldiers in Europe as a result of the budget decision, they had to go back to the drawing boards and redo the plan.

Europe intends to have the plan done by the end of next month.

Early drafts are accomplished, however, I can give you, I think, some preliminary indications about how that is coming out.

In the first place, there is no envisioned MilCon that is going to be required to do anything at the bases [deleted].

Second, in discussion with Europe earlier this week, I ensured, sir, that your concern about efficiency, the efficiency of the operating of the bases, is one of the explicit criteria that is being used by Europe in trying to decide how best to configure the assets in those three sites.

Each of those three sites were in Seventh Corps and operating bases.

What U.S. Army Germany is trying to do is to optimize [deleted] while at the same time trying to save base overhead costs operating within Seventh Corps and USAREUR, given this configuration.

I will not say anything will be closed, however, they want to cut their operating expenses given the number of concerns and bases that are presently in Western Europe.

When the early plan was presented to General Watts early this week, he vetoed the plan in large part because of his concern about what can be saved as a result of the configuration and sent them back to redo it.

In my discussions with Chief of Staff of USAREUR, he has asked until the end of June to be able to provide us the plan [deleted] and we expect to get it by the third or fourth week in June.

Mrs. **Schroeder**. Is there anything further that we should know about?

Are there any other plans? Any other reports? Any other missions?

Mr. **Martin**. One more question.

I don't suspect you would have an answer here, but it might be something you might want to think about.

If it were to be the judgment of the Congress when we end this budgetary process that a number equal to the number of slots theoretically saved by GLCM and Pershing and all that were to be the directed end-strength reductions for the services and that those numbers be reduced in Europe by that amount, do you have any contingency plans as to where you would make those cuts if all of the squads had to be returned to the continental United States or taken out of end strength and if you don't have such a contingency plan, it might be a good idea to come up with one.

Mr. **Ireland**. I second the motion.

Mr. **Woodworth**. There is no contingency plan as such. If faced with that requirement, that would have to be examined and decided where best to take the cuts.

Mr. **Martin**. Because the problem that we face and that you face is that when we face these Gramm-Rudman-Hollings automatic sequestrations, the only place that we can get that money quick enough for outlays are things—personnel is the one for the quickest "savings."

If that has to be done in a short period of time, if we have contingency plans for all sorts of things—if you have those kinds of contingency plans, you ought to start thinking about what is going to happen if Congress says, "Wait a minute. We want a reduction of 16,500 out of Europe by the end of the fiscal year."

You ought to know where you are going to get them from. It is just a thought.

Thank you, Madam Chairwoman.

Mrs. **Schroeder**. Anybody else have questions?

Mr. **Ireland**. I think it would be worth the expense of traveling over what the gentleman from New York says. I think it is absolutely true—despite the ongoing discussion of how those troops happened to get there in the first place, the American public, this Congress probably will not buy this idea that some other units were cannibalized to put those GLCMs and Pershing II operations in there, because the facts don't support that scenario, and we were getting along perfectly well with the strength under that 16,000, and you are going to dance a really hot jig to persuade the public, this Congress, that those people shouldn't come home with that hardware.

I think the—added to that is a tendency to be a little bit tired of bending over backwards for our allies, who are our great competitors now, and I think that the Pentagon is just a little slow in understanding what is going on here, and it is awfully hard, if not impossible, to say, "Gee, we need that 8,000 more over there in order to be up to strength," because you didn't have them there before in those billets that you are talking about.

So I think you ought to be prepared for exactly what the gentleman says, without question, because you don't have strong arguments in logic or otherwise or in history.

It is just not there.

Thank you, Madam Chairwoman.

Mrs. **SCHROEDER**. Thank you.

I am sure you have had more fun on the Hill. I think we are trying to be very fair and upfront. We don't want anybody to feel ambushed. We want people to know that a lot of people have been very troubled.

I would like everybody to return their secret documents back to Betty.

With that, we will adjourn the hearing. Gentlemen, thank you for your patience.

[Whereupon, at 12:25 p.m., the subcommittee adjourned.]

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